# HEALTH AND WELFARE FUND MEETING

# FELRA & UFCW HEALTH & WELFARE FUND

# AGENDA

## AUGUST 28, 2013

## 10:00 A.M.

I. CALL TO ORDER
   - A. RESIGNATION/APPOINTMENT OF TRUSTEE

II. MINUTES (pg. 1 – 15)
   - A. REGULAR MEETING – MAY 22, 2013
   - B. APPEALS COMMITTEE MEETING – JUNE 11, 2013

III. FINANCIAL REPORT
   - A. PNC BANK

IV. ATTORNEY'S REPORT
   - A. REGULAR
   - B. DELINQUENCY REPORT
   - C. SUBROGATION

V. ADMINISTRATIVE MANAGER'S REPORT – 1Q13 (pg. 16 – 56)

VI. INVOICES (pg. 57 – 63)
   - A. PPACA PROGRESS BILLING – 1Q13, 2Q13

VII. OTHER FUND BUSINESS (pg. 64 – 82)
   - A. MISCELLANEOUS CORRESPONDENCE
   - B. CRNA LANGUAGE REVIEW
   - C. IPS PROPOSAL FOR INVESTMENT CONSULTING

VIII. ANNUAL REPORTS
   - A. DENTAL PROVIDER (GROUP DENTAL SERVICE)
   - B. OPTICAL PROVIDER (ADVANTICA)
   - C. DISEASE MANAGEMENT PROVIDER (HEALTH DIALOG)
   - D. HMO PROVIDER (KAISER PERMANENTE)

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

# MINUTES

# Food Employers Labor Relations Association
# and United Food & Commercial Workers
# Health & Welfare Fund

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## MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE FELRA & UFCW HEALTH AND WELFARE FUND HELD MAY 22, 2013 – MAY 23, 2013 IN LANDOVER, MARYLAND

**The following Trustees were present:**

| UNION TRUSTEES | EMPLOYER TRUSTEES |
|---|---|
| M. Federici - Secretary | J. Paradis – Chairman |
| M. Boyle | J. Champion |
| E. Masten | F. Stegman |

**Also present were:**

H. Burton – Morgan, Lewis & Bockius, LLP
D. Gillis – Stop and Shop
N. Hakes – The Segal Co.
J. Harrison – UFCW Local 27
M. Herwig – PNC Bank
T. Hipkins – UFCW Local 27
A. Hutchinson – CIGNA
W. Jensen – Associated Administrators, LLC
T. Kot – SHPS/Carewise Health
S. Krasnoff – Carefirst Blue Cross/Blue Shield
C. Murphy – Associated Administrators, LLC
G. Murphy, Jr. – UFCW Local 27
J. Pedone – Carefirst Blue Cross/Blue Shield
D. Petrella – SHPS/Carewise Health
B. Slevin – Slevin & Hart, P.C.
M. Sullivan – NEPC (Via Teleconference)
M. Valianatos – Express Scripts
L. Walsh – Associated Administrators, LLC
J. Webb - CIGNA

## I. CALL TO ORDER

Noting the presence of a quorum, the Chairman called the meeting to order.

### A. Trustee Appointments

Mr. Jensen reported that he had received correspondence dated January 28, 2013 from Mr. Frank Stegman appointing Mr. Jeffrey Champion as a Trustee to fill the vacancy. The Trustees welcomed Mr. Champion to the Board of Trustees.

## II MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 20, 2012, the Appeals Committee meeting held on October 5, 2012, the Appeals Committee meeting held on December 13, 2012 and the Appeals Committee meeting held on March 18, 2013, which was pre-circulated.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on December 20, 2012, the Appeals Committee meeting held on October 5, 2012, the Appeals Committee meeting held on December 13, 2012 and the Appeals Committee meeting held on March 18, 2013, were approved as presented.**

## III. FINANCIAL REPORT

### A. PNC Bank

The Trustees welcomed Mr. Michael Herwig of PNC Bank to the meeting. He presented the summary of activity report for the period January 1, 2013 through March 31, 2013. Such report indicated a beginning market value of $38,832,559, earnings of $1,020,802, receipts of $38,170,586, and disbursements of $35,725,477, producing an ending market value of $42,298,470 as of March 31, 2013.

The Trustees thanked Mr. Herwig for his report and he was excused from the meeting.

### B. NEPC

The Trustees welcomed Mr. Michael Sullivan of NEPC to the meeting via teleconference. He presented the performance summary report as of April 30, 2013. Such report indicated a market value of $41,401,595 as of April 30, 2013. Year-to-date performance was 3.7%.

Mr. Sullivan reviewed the performance of the individual managers. Mr. Paradis asked if NWQ should be replaced. Mr. Sullivan recommended that the Trustees allow NWQ additional time to improve performance through their market cycle. Mr. Sullivan said that Attalus was still performing well as a

hedge fund manager despite the impending closure of the multi-strategy account. He anticipated distribution of assets within the next six to nine months from the Attalus account.

Mr. Burton asked about Mellon. Mr. Sullivan recommended maintenance of Mellon in the portfolio since it is a more conservative mixture of investments.

The Trustees thanked Mr. Sullivan for his report and he was excused from the meeting.

## IV. ATTORNEY'S REPORT

### A. Situs and Statute of Limitations

Mr. Slevin discussed the situs for participant lawsuits against the Fund.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to amend the Plan so that benefit lawsuits are to be brought by participants in Maryland Federal Court and are subject to a three-year statute of limitations.**

### B. PNC Contract

Mr. Slevin recommended that the Trustees approve an amendment to the PNC contract to allow a recommendation by the investment consultant for selection of a short-term investment fund to be utilized by PNC.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to adopt the recommendation of Fund Counsel with respect to designation of a short-term investment fund in the PNC contract.**

### C. Trust Agreement

Mr. Slevin discussed the restated Trust Agreement and amendments to the Subrogation and Qualified Medical Child Support Order policies.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to adopt the restated Trust Agreement and amendments to the Subrogation and QMCSO policies.**

## D. Trustee Reimbursement Policy

Mr. Slevin discussed the Trustee Reimbursement Policy.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to amend the Trustee reimbursement policy to allow meals to be covered expenses.**

## E. Windhaven Contract

Mr. Slevin discussed the Windhaven contract.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to approve the recommendation to adopt the Windhaven contract amendment.**

## F. SuperFresh Litigation

Mr. Slevin discussed the Superfresh delinquent contributions.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to approve the sending of a demand and the filing of a lawsuit if the is not paid, and engagement of a bankruptcy firm in connection with the Superfresh litigation, if necessary.**

## G. Patient Centered Outcomes Research Institute Fee ("PCORI") and Reinsurance Fee

Mr. Slevin discussed the PCORI fee and Reinsurance Fee under the ACA. The Trustees agreed that Associated will calculate the fees and submit them to the Auditor for filing.

**H. Newborn Coverage**

Mr. Slevin discussed the newborn coverage provisions. After discussion, it was the consensus of the Trustees to maintain the current policy while considering any appeals to such policy as they arise.

**I. U.S. Airways vs. McKutcheon Case**

Mr. Slevin discussed the U.S. Airways vs. McKutcheon case. The Trustees agreed no changes be made to the subrogation language already contained in the Plan Documents.

**J. Carefirst Fee Amendment**

Mr. Slevin discussed the Carefirst fee amendment.

**K. HRGI Contract Negotiations**

Mr. Slevin discussed the HRGI contract negotiations.

**L. Mental Health Parity**

Mr. Slevin discussed the Mental Health Parity compliance.

**M. Meridian Class Action Litigation**

Mr. Slevin provided a status update on the Meridian class action litigation.

**N. Express Scripts Litigation**

Mr. Slevin discussed the Express Scripts litigation.

**O. Voluntary Health and Human Services ("HHS") Court Proposed Plan Survey**

Mr. Slevin discussed the survey sent by HHS regarding the ERRP.

**P. Early Retiree Reinsurance Program ("ERRP)**

Mr. Slevin discussed the use of ERRP payments.

**Q. ACA Annual Limit Waiver**

Mr. Slevin discussed the annual limit waiver for 2013.

### R. DOL Investigation

Mr. Slevin discussed the January 14, 2013 letter sent to the Department of Labor.

### S. Fiduciary Insurance

Mr. Slevin discussed the renewal of the fiduciary insurance policy.

### T. Coover vs. Butler Case

Mr. Slevin discussed the Coover vs. Butler litigation. The Board of Trustees authorized counsel to settle the Fund's claim if some amount in excess of the Fund's subrogation claim is offered, to cover some of the expense of the litigation.

### U. Model Notice to Employees of Coverage Option

Mr. Slevin discussed the mandated notice under the ACA.

## V. ADMINISTRATIVE MANAGER'S REPORT

### A. 4Q12 - Combined Fund Recap

Mr. Jensen presented the administrative manager's report for the fourth quarter 2012. Such report indicated employer contributions of $27,562,362, retiree contributions of $6,458,479, employee contributions of $2,176,829, interest and dividends for the active plan of $121,547, interest and dividends for the retiree plan of $31,017, and miscellaneous income of $4,147, producing total income of $36,354,381. Expenses totaled $38,823,757, producing a net deficit of $2,469,376 as of the fourth quarter 2013. Contributions were made on behalf of 18,743 active participants.

### B. Maintenance of Benefit Projections

Mr. Jensen distributed the maintenance of benefit projections as of July 1, 2013 for review. He noted such projections were in draft form awaiting the retiree component calculated by Cheiron for Plan I contributions. He said that he would send the final report to the Board of Trustees once Cheiron had produced the retiree expense projections.

## VI. INVOICES

The Trustees reviewed the list of invoices dated May 22, 2013. It was noted there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED that the invoices on the list dated May 22, 2013, including the PPACA invoice submitted by Associated, were approved for payment.**

## VII. CONSULTANT'S REPORT

### A. The Segal Company

The Trustees welcomed Ms. Nancy Hakes of the Segal Company to the meeting. She reviewed a report regarding a sample coverage wording for non-physician practitioners, including Certified Registered Nurse Anesthetists ("CRNA"), Nurse Practitioners ("NP"), Physician Assistants ("PA") and Certified Surgical Assistants (CSA). Trustee Paradis requested clarification regarding the Segal recommendation for coverage of a CRNA. Each practitioner would receive 50% of accrued charges. Ms. Hakes said that Segal provided guidelines based on what Medicare rules would allow. Trustee Paradis asked if practitioners are balance billing participants based on such reimbursement levels. Ms. Hakes said that they were not balance billing to her knowledge, but recommended that such language be presented to Carefirst to verify that a change in the practice would be within their reimbursement norms.

The Trustees thanked Ms. Hakes for her report and she was excused from the meeting.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to accept the Segal recommendations, except for the language concerning CRNA. It was further RESOLVED to refer finalization of those recommendations to Chairman and Secretary for implementation.**

The Trustees agreed that claims appeals that had been pended as of April 1, 2012, would be processed in accordance with the language adopted.

### B. Medical Insurance Consulting Group

The Trustees discussed the Medical Insurance Consulting Group report concerning utilization of InforMed for utilization review and disease management services. The Trustees tabled further discussion of InforMed's services.

## VIII. OTHER FUND BUSINESS

### A. Cheiron Engagement Letter

Mr. Jensen reviewed the Cheiron engagement letter for the health and welfare fund. Such engagement would include an annual fee of $61,500, reflecting a decreased cost of the roll-forward FASB ASC 965 valuation, otherwise known as the SOP-91-6 report. He further reported that Cheiron proposed a monthly retainer for calendar year 2013 of $37,740 for the severance plan. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to approve the retainer fees proposed by Cheiron for the 2013 calendar year.**

### B. ValueOptions

Mr. Jensen reported that ValueOptions proposed maintaining their existing rates for the mental health and EAP services provided by that firm for the balance of 2013. The Trustees accepted the proposal.

### C. Bakers Local 118 Memorandum of Agreement

Mr. Jensen reviewed the Memorandum of Agreement submitted by Bakers Local 118 calling for coverage of their employees by the FELRA Fund. The Trustees discussed the proposal and agreed to review such proposal at the next meeting of the Board of Trustees.

### D. Elimination of Recourse Premium

Mr. Jensen said that the invoices for the elimination of recourse premiums were mailed to the Trustees on May 3, 2013.

### E. Warfarin Sodium Anti-Trust Settlement

Mr. Jensen reported that the Fund received the Fund's portion of a settlement of the Warfarin Sodium Anti-Trust litigation in the amount of $334.13.

## IX. ANNUAL REPORTS

### A. PPO Provider (Carefirst)

The Trustees welcomed Mr. Steve Krasnoff and Mr. Joe Pedone of Carefirst to the meeting. They presented the Preferred Provider Organization report for the calendar year 2012. Such report indicated 236,059 claims submitted to Carefirst, a 2.88% decrease from calendar year 2012. The total billed in 2012,

was $176,377,012, less than a 1% decrease from 2011. Mr. Krasnoff reported total savings of $80,968,440 in 2012, less than a 1% increase from 2011. Carefirst administrative charges were $1,237,285 in 2012, a 2.09% decrease from those charged in 2011.

The Trustees thanked the representatives from Carefirst for their report and they were excused from the meeting.

**B. Retiree Self-Insured HMO (CIGNA)**

The Trustees welcomed Mr. Amos Hutchinson and Mr. Jason Webb of CIGNA to the meeting. They presented the 2012 utilization report for the CIGNA self-insured plan covering pre-Medicare retirees. Mr. Hutchinson reported that provider discounts represented over $12 million dollars of savings in 2012 and care management efforts resulted in savings of over $826,000 or 5.7% of the 2012 overall expense. The trend was a -2.8%. Mr. Hutchinson further reported that 63.8% of those having chronic conditions incurred 87.8% of overall plan expense.

Mr. Hutchinson presented a fee renewal request amounting to 2.6% increase in the retiree fees effective June 1, 2013.

The Trustees thanked the representatives of CIGNA for their report and they were excused from the meeting.

**Discussion**

The Trustees asked Mr. Jensen to contact CIGNA to advise that they would be willing to accept a 2% increase in their fees and further authorized Chairman and Secretary to review and act on a revised proposal.

**C. Pharmacy Benefit Manager (Express Scripts)**

The Trustees welcomed Ms. Michele Valianatos and Ms. Helen Demir of Express Scripts to the meeting. Ms. Valianatos reviewed the 2012 utilization report. Such report indicated that $64,823,590 of average wholesale prices had been processed. The 2012 total plan cost, after network discounts and member co-payments, was $33,576,320. The cost per participant and dependents per month was $94.32, a 1.7% increase over the participant and dependents per month cost in 2011. Ms. Valianatos proposed utilization of a program from Express Scripts called "Fraud Waste and Abuse." The Trustees requested that Express Scripts supply such information to the Fund office for review.

The Trustees thanked the representatives from Express Scripts for their report and they were excused from the meeting.

The Trustees discussed the potential of hiring a consultant for further review of fraud prevention programs.

### D. Utilization Review Provider (SHPS/Carewise Health)

The Trustees welcomed Ms. Tracy Kot and Ms. Delia Petrella of SHPS/Carewise Health to the meeting. They presented their 2012 utilization report. Such report indicated they had performed an outreach effort to all participants who had incurred 11 or more inpatient hospital stays and enrolled 14% of those participants in case management programs. The return on investment ratio was $3.72 dollars saved for every dollar of fees paid to SHPS/Carewise Health. The total savings for 2012 for the utilization management and case management services was $1,132,000.

The Trustees thanked the representatives from SHPS/Carewise Health for their report and they were excused from the meeting.

## X. ADOPTION OF COMMITTEE RECOMMENDATIONS

After review of the minutes of the recommendations made by the Legal, Severance and Scholarship Committees during their meetings,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED that the recommendations made by the Committees are adopted by the Trustees of the Health and Welfare Fund.**

## XI. RECONVENE

The Board of Trustees reconvened May 23, 2013. It was noted that Trustee Boyle was not in attendance.

### A. Investment Committee

The Trustees agreed that appointment of an investment committee would be desirable.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED the Board of Trustees shall continue to be the Named Fiduciary with the power and authority to adopt the investment policy statement. The Investment Committee will be the Named Fiduciary with the power and authority to take any and all action relating to investments consistent with the investment policy statement, including terminating and hiring investment-related providers.**

**B. Investment Consultant**

The Trustees discussed the investment consulting services provided by NEPC. The Pension Fund had selected IPS to be sole consultant. The Trustees who serve on the Pension Fund discussed the services of NEPC and IPS. The Trustees agreed it would be desirable to have IPS serve the Welfare Fund.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to terminate the investment consultant services provided by NEPC and hire Investment Performance Services, subject to the execution of an acceptable contract. It was further RESOLVED to authorize Chairman and Secretary to be able to execute an acceptable agreement with IPS.**

## XII. NEXT MEETING DATE

After discussion, the Trustees selected August 28, 2013 as the next meeting date in Landover, Maryland.

## XIII. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Mark Federici, Secretary

FW05/22/13(orig : 07/22/13)(Rev: 08/23/13bs)

# Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund

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## MINUTES OF THE MEETING OF THE APPEALS SUBCOMMITTEE OF THE FELRA & UFCW HEALTH AND WELFARE FUND HELD ON JUNE 11, 2013 IN LANDOVER, MARYLAND

**The following committee members were present:**

**UNION**
M. Federici
T. Hipkins
C. Wiszynski

**EMPLOYER**
L. Madert
D. White

**Also present was:**
E. Novak - Associated Administrators, LLC
C. Brown – Associated Administrators, LLC

## I. APPEALS

The following appeals were reviewed by the Trustees:

**L27 – April 2013**

| CODE | ISSUE | DECISION |
|---|---|---|
| Rx13/152-2698 | Quantity Limit | Approved |
| A13/110-7630 | No Office Visit | Denied |
| Rx13/153-0765 | Brand Name Rx | Approved |
| Rx13/154-8076 | Brand Name Rx | Approved |
| Rx13/143-3053 | Brand Name, Step Therapy | Approved |
| M13/224-2802 | Late Filing, Late Appeal | Denied |
| M13/231-5197 | Surgical Assistant | Approved |
| M13/264-2704 | CRNA | Tabled |
| M13/280-3450 | Laboratory Services | Denied |
| M13/302-5224 | Routine Services | Denied |
| M13/270-2082 | Experimental | Denied |
| M13/244-9080 | Experimental | Denied |
| M13/213-9823a | Mental Health Benefit | Denied |
| M13/213-9823b | Mental Health Benefit | Denied |

**L400 – April 2013**

| CODE | ISSUE | DECISION |
|---|---|---|
| E13/146-0391 | Open Enrollment | Denied |
| Rx13/147-5449 | Quantity Limit | Approved |
| Rx13/151-5325 | Quantity Limit | Approved |
| Rx13/142-4843 | Quantity Limit | Approved |
| Rx13/150-4563 | Brand Name Rx | Approved |
| Rx13/145-7964 | Brand Name Rx | Denied |
| Rx13/138-0235 | Brand Name Rx | Denied |
| M13/147-6956 | Late Filing | Denied |
| M13/163-4217 | Late Filing | Denied |
| M13/274-1061 | Late Filing | Denied |
| M13/158-5604 | Late Filing | Denied |
| M13/206-2486 | Late Filing, Late Appeal | Denied |
| M13/230-2646 | Late Response | Denied |
| M13/187-6789a | No Response, Late Appeal | Denied |
| M13/284-3793 | Routine Services | Denied |
| M13/305-8610 | Routine Services | Denied |
| M13/218-2048 | Routine Services | Denied |
| M13/273-2503 | Routine Services, Late Appeal | Denied |
| M13/272-7165a | Flu Shot | Denied |
| M13/272-7165b | Flu Shot | Denied |
| M13/229-6384 | Excess of UCR, Surgical Asst., Overpayment | Denied |
| M13/249-7560 | CRNA, Late Appeal | Denied |
| M13/239-3680 | Surgical Assistant | Approved |
| M13/260-7152 | Surgical Assistant | Approved |
| M13/259-6884 | Surgical Assistant | Approved |
| M13/232-3047 | Surgical Assistant | Approved |
| M13/267-8185 | Laboratory Services | Denied |
| M13/238-9280 | Laboratory Services | Denied |
| M13/255-1348a | Laboratory Services | Denied |
| M13/255-1348b | Laboratory Services | Denied |
| M13/245-9768 | Excluded Benefit | Denied |
| M13/298-6752 | Excluded Benefit, Routine Immunizations | Denied |
| M13/227-4200 | Ambulance Services | Approved |
| M13/214-3056 | Mental Health Benefit/ Late Appeal | Denied |
| M13/234-4224 | Well-Child Benefit | Denied |
| D13/137-3787 | Outpatient Dental Services | Tabled |
| D13/149-1914 | Dental Implants | Approved |
| M13/308-4319 | Pre-Certification, Med. Necessity | Denied |

**L27 – May/June 2013**

| CODE | ISSUE | DECISION |
|---|---|---|
| E13/161-6151 | Reinstatement of Fund Coverage | Denied |
| Rx13/157-3023 | Brand Name Rx | Approved |
| Rx13/159-1532 | Brand Name Rx | Approved |
| Rx13/160-4877 | Brand Name Rx, Quantity Limits | Denied |
| M13/276-3731b | Late Filing | Denied |
| M13/275-0681 | Late Filing | Denied |
| M12/1300-0633 | Late Filing, Re-Appeal | Denied |
| M13/292-9543 | Routine Services, Late Appeal | Denied |
| M13/329-6158 | Laboratory Services | Denied |
| M13/343-4107 | Medical Necessity, Precertification for Laboratory Services | Approved |
| M13/386-7756 | CRNA | Tabled |
| D13/144-5975 | Outpatient Dental Services, Late Appeal | Denied |
| E13/169-4755 | Coordination of Benefits | Approved |

**Tabled Appeals**

| | | |
|---|---|---|
| M12/1075-5510 | CRNA | Denied |
| M12/1271-8371 | CRNA | Tabled |
| E12/254-4000 | Dependent Child Dental Coverage | Tabled |

**L400 – May/June 2013**

| CODE | ISSUE | DECISION |
|---|---|---|
| A13/115-0965 | Eligibility, Late Appeal | Denied |
| A13/111-5346 | Offset of Benefits | Denied |
| E13/163-9857 | Retroactive Dependent Coverage | Denied |
| E13/158-0253 | Reinstatement of Kaiser Coverage | Denied |
| M13/309-5115 | Medical Necessity, Precertification | Approved |
| M13/312-6947 | Nonparticipating Provider | Approved |
| M13/334-7061a | Routine Services | Denied |
| M13/320-7168 | Excess of UCR | Denied |
| M13/321-1155 | Excess of UCR | Denied |
| M13/342-2097 | Laboratory Services | Denied |
| M13/326-3988 | Laboratory Services | Denied |
| M13/333-0974 | Medical Necessity | Denied |
| M13/57-8116 | Ambulance Services | Approved |
| M13/282-2890 | Ambulance Services | Approved |
| M13/322-1729 | Routine Services, Colonoscopy | Denied |
| M13/335-0322 | Mental Health Benefit, Lab Services, Late Appeal | Denied |
| Rx13/162-9363 | Quantity Limit | Approved |
| Rx13/165-4769 | Oral Contraceptives | Approved |
| Rx13/166-1475 | Brand Name Rx | Approved |

| | | |
|---|---|---|
| Rx13/167-6391 | Brand Name Rx | Approved |
| E13/158-4444 | Retiree Health & Welfare Benefits | Denied |
| M12/1045-0097 | CRNA | Denied |
| M12/890-8925 | CRNA | Denied |
| E13/171-5919 | Open Enrollment | Denied |

II. ADJOURNMENT

There being no further business to come before the Subcommittee, the meeting was adjourned.

Respectfully submitted,

Emily Novak, Appeals Supervisor

Felra\H&W\6-2013

# ADMINISTRATIVE MANAGER'S REPORT

***FELRA & UFCW***

***ACTIVE HEALTH PLAN***

***FIRST QUARTER 2013***

***ADMINISTRATIVE MANAGER'S REPORT***

PLAN I
FULL TIME
FIRST QUARTER 2013

CONTRIBUTIONS

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| GIANT[1] | $2,510 | 964 | $7,261,430 |
| LOCAL 27 STAFF TEMPS | $2,510 | 0 | 0 |
| LOCAL 400 STAFF TEMPS | $2,510 | 1 | 5,020 |
| SAFEWAY[1] | $2,510 | 441 | 3,318,220 |
| TOTAL | | 1,406 | $10,584,670 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $2,509

PLAN I = TIER I

PLAN I
FULL TIME
FIRST QUARTER 2013

## BENEFIT EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL BENEFIT 24 | $4.95 | $10,865 | | 732 PART |
| OPTICAL BENEFIT 12 | $6.95 | 14,206 | | 681 PART |
| TOTAL OPTICAL | | $25,071 | $5.94 | |
| | | | | |
| DENTAL INDIVIDUAL[1] | $29.20 | $36,209 | | 413 PART |
| DENTAL FAMILY[1] | $57.88 | 173,582 | | 1,000 PART |
| DENTAL 27 | $142.33 | 426 | | 1 PART |
| TOTAL DENTAL | | $210,217 | $49.84 | |
| | | | | |
| DRUG | $.80/SCRIPT | $905,558 | $214.69 | 10,556 SCRIPTS |
| | | | | |
| HMO KAISER | $924.73 | $202,390 | | 73 PART |
| HOSPITAL | | 1,456,608 | | |
| SURGICAL | | 478,454 | | |
| DIAGNOSTIC | | 373,460 | | |
| MAJOR MEDICAL | | 583,918 | | |
| MEDICAL ADMINISTRATION | $11.06 | 46,247 | | 1,346 PART |
| TOTAL MEDICAL | | $3,141,077 | $744.68 | |
| | | | | |
| PSYCHE | $2.59 | $10,443 | $2.48 | 1,344 PART |
| PSYCHE | | $10,397 | $2.46 | |
| E.A.P. | $.67 | $2,701 | $0.64 | 1,344 PART |
| UTILIZATION MANAGEMENT | $2.35 | $10,380 | $2.46 | 1,342 PART |
| DISEASE MANAGEMENT | $2.06 | $17,866 | $4.24 | 1,343 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $19,016 | $4.51 | 323 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $11,981 | $2.84 | 1,029 PART |
| P.P.O. AA, LLC | | $25 | $0.01 | |
| P.P.O. A & G | | $2,081 | $0.49 | |
| LIFE-AD&D | $.175/.018/1000 | $13,359 | $3.17 | 1,433 PART |
| A & S | | $449,653 | $106.60 | |
| SUB TOTAL | | $4,829,825 | $1,145.05 | |

## OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $49,003 | $11.62 | 1,461 PART |
| MISCELLANEOUS | | $19,588 | $4.64 | |
| SUB TOTAL | | $68,591 | $16.26 | |
| TOTAL | | **$4,898,416** | **$1,161.31** | |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN I
FULL TIME
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $4,946,541 | $0 | $0 | $0 | $4,946,541 |
| EMPLOYER CONTR - RETIREE | 5,638,129 | 0 | 0 | 0 | $5,638,129 |
| MISC. INCOME-DENTAL | 239 | 0 | 0 | 0 | 239 |
| -RETIREE | 1,566,166 | 0 | 0 | 0 | 1,566,166 |
| -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 0 | 0 | 0 | 0 | 0 |
| -HMO COPAY | 28,886 | 0 | 0 | 0 | 28,886 |
| TOTAL | $12,179,961 | $0 | $0 | $0 | $12,179,961 |
| EXPENSES | | | | | |
| MEDICAL | $3,141,077 | $0 | $0 | $0 | $3,141,077 |
| RETIREE | 7,574,771 | 0 | 0 | 0 | 7,574,771 |
| A & S | 449,653 | 0 | 0 | 0 | 449,653 |
| DENTAL | 210,217 | 0 | 0 | 0 | 210,217 |
| DRUG | 905,558 | 0 | 0 | 0 | 905,558 |
| PSYCHE | 20,840 | 0 | 0 | 0 | 20,840 |
| OPTICAL | 25,071 | 0 | 0 | 0 | 25,071 |
| LIFE & AD & D | 13,359 | 0 | 0 | 0 | 13,359 |
| UTILIZATION MANAGEMENT | 10,380 | 0 | 0 | 0 | 10,380 |
| DISEASE MANAGEMENT | 17,866 | 0 | 0 | 0 | 17,866 |
| E.A.P. | 2,701 | 0 | 0 | 0 | 2,701 |
| P.P.O. | 33,103 | 0 | 0 | 0 | 33,103 |
| OPERATING EXPENSE | 68,591 | 0 | 0 | 0 | 68,591 |
| TOTAL EXPENSE | $12,473,187 | $0 | $0 | $0 | $12,473,187 |
| SURPLUS (DEFICIT) | **($293,226)** | **$0** | **$0** | **$0** | **($293,226)** |
| AVERAGE INCOME | $2,888 | $0 | $0 | $0 | $2,888 |
| AVERAGE EXPENSE | $2,957 | $0 | $0 | $0 | $2,957 |
| SURPLUS (DEFICIT) | ($69) | $0 | $0 | $0 | ($69) |
| TOTAL PARTICIPANTS | 1,406 | | | | 1,406 |

PLAN I
FULL TIME
2012

QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $11,830,448 | $1,824,000 | $2,965,936 | $4,846,765 | $21,467,149 |
| EMPLOYER CONTR - RETIREE | | $2,079,018 | $3,380,610 | $5,524,404 | $10,984,032 |
| MISC. INCOME-DENTAL | 239 | 239 | 239 | 239 | 956 |
| -RETIREE | 1,677,311 | 1,655,411 | 1,575,435 | 1,576,336 | 6,484,493 |
| -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 15,059 | 6,642 | 5,902 | 1,078 | 28,681 |
| -HMO COPAY | 25,196 | 21,859 | 14,798 | 24,362 | 86,215 |
| TOTAL | $13,548,253 | $5,587,169 | $7,942,920 | $11,973,184 | $39,051,526 |
| EXPENSES | | | | | |
| MEDICAL | $3,031,099 | $3,361,492 | $4,518,811 | $3,631,023 | $14,542,425 |
| RETIREE | 7,965,362 | 7,000,608 | 6,940,563 | 7,602,751 | 29,509,284 |
| A & S | 504,635 | 523,490 | 488,602 | 436,712 | 1,953,439 |
| DENTAL | 227,096 | 220,935 | 214,635 | 208,419 | 871,085 |
| DRUG | 1,228,616 | 884,763 | 1,075,391 | 1,110,927 | 4,299,697 |
| PSYCHE | 62,550 | 44,030 | 69,781 | 52,250 | 228,611 |
| OPTICAL | 27,917 | 27,190 | 26,464 | 25,692 | 107,263 |
| LIFE & AD & D | 14,830 | 14,482 | 14,102 | 13,694 | 57,108 |
| UTILIZATION MANAGEMENT | 11,083 | 11,706 | 10,675 | 10,790 | 44,254 |
| DISEASE MANAGEMENT | 23,913 | 23,459 | 17,907 | 17,499 | 82,778 |
| E.A.P. | 2,994 | 2,905 | 2,825 | 2,763 | 11,487 |
| P.P.O. | 34,828 | 34,771 | 33,614 | 34,745 | 137,958 |
| OPERATING EXPENSE | 74,408 | 93,065 | 73,679 | 74,797 | 315,949 |
| TOTAL EXPENSE | $13,209,331 | $12,242,896 | $13,487,049 | $13,222,062 | $52,161,338 |
| SURPLUS (DEFICIT) | **$338,922** | **($6,655,727)** | **($5,544,129)** | **($1,248,878)** | **($13,109,812)** |
| AVERAGE INCOME | $2,902 | $1,228 | $1,799 | $2,777 | $2,177 |
| AVERAGE EXPENSE | $2,830 | $2,690 | $3,054 | $3,067 | $2,910 |
| SURPLUS (DEFICIT) | $72 | ($1,462) | ($1,255) | ($290) | ($733) |
| TOTAL PARTICIPANTS | 1,556 | 1,517 | 1,472 | 1,437 | 1,496 |

PLAN I
PART TIME
FIRST QUARTER 2013

CONTRIBUTIONS

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| GIANT[1] | $2,399 | 209 | $1,506,572 |
| SAFEWAY | $2,399 | 33 | 238,437 |
| TOTAL | | 242 | $1,745,009 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $2,404

PLAN I = TIER I

PLAN I
PART TIME
FIRST QUARTER 2013

## BENEFIT EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL BENEFIT 24 | $4.95 | $2,114 | | 142 PART |
| OPTICAL BENEFIT 12 | $6.95 | 2,259 | | 108 PART |
| TOTAL OPTICAL | | $4,373 | $6.02 | |
| | | | | |
| DENTAL INDIVIDUAL[1] | $29.20 | $10,628 | | 121 PART |
| DENTAL FAMILY[1] | $57.88 | 22,573 | | 130 PART |
| TOTAL DENTAL | | $33,201 | $45.73 | |
| | | | | |
| DRUG | $.80/SCRIPT | $129,745 | $178.71 | 1,559 SCRIPTS |
| | | | | |
| HMO KAISER | $889.16 | $35,566 | | 13 PART |
| HOSPITAL | | 225,766 | | |
| SURGICAL | | 43,287 | | |
| DIAGNOSTIC | | 53,151 | | |
| MAJOR MEDICAL | | 91,141 | | |
| MEDICAL ADMINISTRATION | $11.06 | 8,129 | | 237 PART |
| TOTAL MEDICAL | | $457,040 | $629.53 | |
| | | | | |
| PSYCHE | $2.59 | $1,846 | $2.54 | 238 PART |
| PSYCHE | | $1,260 | $1.74 | |
| E.A.P. | $.67 | $477 | $0.66 | 238 PART |
| UTILIZATION MANAGEMENT | $2.35 | $1,685 | $2.32 | 239 PART |
| DISEASE MANAGEMENT | $2.06 | $2,542 | $3.50 | 240 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $2,858 | $3.94 | 49 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $2,235 | $3.08 | 192 PART |
| P.P.O. AA, LLC | | $4 | $0.01 | |
| P.P.O. A & G | | $360 | $0.50 | |
| LIFE-AD&D | $.175/.018/1000 | $1,017 | $1.40 | 255 PART |
| A & S | | $25,327 | $34.89 | |
| SUB TOTAL | | **$663,970** | $914.57 | |

## OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $8,451 | $11.64 | 251 PART |
| MISCELLANEOUS | | $3,371 | $4.64 | |
| SUB TOTAL | | $11,822 | $16.28 | |
| TOTAL | | **$675,792** | **$930.85** | |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN I
PART TIME
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $815,496 | $0 | $0 | $0 | $815,496 |
| EMPLOYER CONTR - RETIREE | 929,513 | 0 | 0 | 0 | $929,513 |
| MISC. INCOME-DENTAL | 0 | 0 | 0 | 0 | 0 |
| -RETIREE | 343,099 | 0 | 0 | 0 | 343,099 |
| -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 740 | 0 | 0 | 0 | 740 |
| -HMO COPAY | 4,005 | 0 | 0 | 0 | 4,005 |
| TOTAL | $2,092,853 | $0 | $0 | $0 | $2,092,853 |
| EXPENSES | | | | | |
| MEDICAL | $457,040 | $0 | $0 | $0 | $457,040 |
| RETIREE | 1,134,805 | 0 | 0 | 0 | 1,134,805 |
| A & S | 25,327 | 0 | 0 | 0 | 25,327 |
| DENTAL | 33,201 | 0 | 0 | 0 | 33,201 |
| DRUG | 129,745 | 0 | 0 | 0 | 129,745 |
| PSYCHE | 3,106 | 0 | 0 | 0 | 3,106 |
| OPTICAL | 4,373 | 0 | 0 | 0 | 4,373 |
| LIFE & AD & D | 1,017 | 0 | 0 | 0 | 1,017 |
| UTILIZATION MANAGEMENT | 1,685 | 0 | 0 | 0 | 1,685 |
| DISEASE MANAGEMENT | 2,542 | 0 | 0 | 0 | 2,542 |
| E.A.P. | 477 | 0 | 0 | 0 | 477 |
| P.P.O. | 5,457 | 0 | 0 | 0 | 5,457 |
| OPERATING EXPENSE | 11,822 | 0 | 0 | 0 | 11,822 |
| TOTAL EXPENSE | $1,810,597 | $0 | $0 | $0 | $1,810,597 |
| SURPLUS (DEFICIT) | **$282,256** | **$0** | **$0** | **$0** | **$282,256** |
| AVERAGE INCOME | $2,883 | $0 | $0 | $0 | $2,883 |
| AVERAGE EXPENSE | $2,494 | $0 | $0 | $0 | $2,494 |
| SURPLUS (DEFICIT) | $389 | $0 | $0 | $0 | $389 |
| TOTAL PARTICIPANTS | 242 | | | | 242 |

PLAN I
PART TIME
2012

QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $1,965,793 | $305,225 | $465,424 | $819,498 | $3,555,940 |
| EMPLOYER CONTR - RETIREE | | $347,900 | $530,497 | $934,075 | $1,812,472 |
| MISC. INCOME-DENTAL | 0 | 0 | 0 | 0 | 0 |
| -RETIREE | 364,398 | 359,432 | 342,921 | 343,770 | 1,410,521 |
| -LOA | 3,582 | 2,149 | 748 | 0 | 6,479 |
| -COBRA | 7,783 | 2,611 | 2,216 | 3,692 | 16,302 |
| -HMO COPAY | 4,464 | 3,999 | 3,162 | 4,235 | 15,860 |
| TOTAL | $2,346,020 | $1,021,316 | $1,344,968 | $2,105,270 | $6,817,574 |
| EXPENSES | | | | | |
| MEDICAL | $430,500 | $371,743 | $723,618 | $434,418 | $1,960,279 |
| RETIREE | 1,308,024 | 1,201,673 | 1,034,245 | 1,105,000 | 4,648,942 |
| A & S | 31,611 | 56,719 | 60,051 | 29,578 | 177,959 |
| DENTAL | 37,421 | 35,618 | 34,152 | 33,078 | 140,269 |
| DRUG | 200,616 | 138,977 | 234,106 | 162,030 | 735,729 |
| PSYCHE | 4,295 | 13,506 | 19,634 | 7,863 | 45,298 |
| OPTICAL | 5,111 | 4,889 | 4,719 | 4,520 | 19,239 |
| LIFE & AD & D | 1,176 | 1,152 | 1,104 | 1,058 | 4,490 |
| UTILIZATION MANAGEMENT | 2,072 | 1,963 | 2,680 | 2,147 | 8,862 |
| DISEASE MANAGEMENT | 3,490 | 3,403 | 2,552 | 2,478 | 11,923 |
| E.A.P. | 561 | 533 | 514 | 490 | 2,098 |
| P.P.O. | 6,015 | 6,002 | 5,546 | 5,691 | 23,254 |
| OPERATING EXPENSE | 13,340 | 16,705 | 13,049 | 12,904 | 55,998 |
| TOTAL EXPENSE | $2,044,232 | $1,852,883 | $2,135,970 | $1,801,255 | $7,834,340 |
| SURPLUS (DEFICIT) | **$301,788** | **($831,567)** | **($791,002)** | **$304,015** | **($1,016,766)** |
| AVERAGE INCOME | $2,793 | $1,266 | $1,779 | $2,830 | $2,167 |
| AVERAGE EXPENSE | $2,434 | $2,296 | $2,825 | $2,421 | $2,494 |
| SURPLUS (DEFICIT) | $359 | ($1,030) | ($1,046) | $409 | ($327) |
| TOTAL PARTICIPANTS | 280 | 269 | 252 | 248 | 262 |

PLAN X
FULL TIME
FIRST QUARTER 2013

CONTRIBUTIONS

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | $762 | 82 | $187,452 |
| EDDIES | $715 | 3 | 6,435 |
| GIANT[1] | $762 | 2,989 | 6,833,928 |
| FRESH & GREEN | $762 | 9 | 21,336 |
| LOCAL 27 STAFF TEMPS | $762 | 6 | 13,716 |
| LOCAL 400 STAFF TEMPS | $762 | 1 | 762 |
| SAFEWAY[1] | $762 | 1,903 | 4,350,494 |
| SAFEWAY DELAWARE[1] | $762 | 81 | 185,928 |
| TOTAL | | 5,074 | $11,600,051 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $762

PLAN X = TIER II

PLAN X
FULL TIME
FIRST QUARTER 2013

EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $75,355 | $4.95 | 5,074 PART |
| | | | | |
| DENTAL FAMILY[1] | $60.98 | $578,161 | | 3,161 PART |
| DENTAL INDIVIDUAL[1] | $29.63 | 170,581 | | 1,919 PART |
| TOTAL DENTAL | | $748,742 | $49.19 | |
| | | | | |
| DRUG | $.80/SCRIPT | $2,444,925 | $160.62 | 28,328 SCRIPTS |
| | | | | |
| HMO KAISER | $632.88 | $688,287 | | 366 PART |
| MEDICAL INDIVIDUAL | | 1,831,175 | | |
| MEDICAL FAMILY | | 4,003,689 | | |
| MEDICAL ADMINISTRATION | $11.06 | 162,703 | | 4,737 PART |
| TOTAL MEDICAL | | $6,685,854 | $439.22 | |
| | | | | |
| PSYCHE | $2.59 | $36,668 | $2.41 | 4,719 PART |
| PSYCHE | | $59,262 | $3.89 | |
| E.A.P. | $0.67 | $9,486 | $0.62 | 4,719 PART |
| UTILIZATION MANAGEMENT | $2.35 | $34,091 | $2.24 | 4,682 PART |
| DISEASE MANAGEMENT | $2.06 | $61,993 | $4.07 | 4,644 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $62,027 | $4.07 | 1,054 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $42,440 | $2.79 | 3,646 PART |
| P.P.O. AA, LLC | | $88 | $0.01 | |
| P.P.O. A & G | | $7,340 | $0.48 | |
| LIFE-AD&D | $.175/.018/1000 | $21,387 | $1.41 | 5,084 PART |
| A & S | | $1,163,036 | $76.40 | |
| SUB TOTAL | | **$11,452,694** | $752.37 | |

OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $173,235 | $11.38 | 5,147 PART |
| MISCELLANEOUS | | $70,690 | $4.64 | |
| SUB TOTAL | | $243,925 | $16.02 | |
| TOTAL | | **$11,696,619** | **$768.39** | |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN X
FULL TIME
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $11,600,051 | $0 | $0 | $0 | $11,600,051 |
| MISC. INCOME-LOA | 1 | 0 | 0 | 0 | 1 |
| -COBRA | 37,368 | 0 | 0 | 0 | 37,368 |
| -HMO COPAY | 134,827 | 0 | 0 | 0 | 134,827 |
| TOTAL INCOME | $11,772,247 | $0 | $0 | $0 | $11,772,247 |
| EXPENSES | | | | | |
| MEDICAL | $6,685,854 | $0 | $0 | $0 | $6,685,854 |
| A & S | 1,163,036 | 0 | 0 | 0 | 1,163,036 |
| DENTAL | 748,742 | 0 | 0 | 0 | 748,742 |
| DRUG | 2,444,925 | 0 | 0 | 0 | 2,444,925 |
| PSYCHE | 95,930 | 0 | 0 | 0 | 95,930 |
| OPTICAL | 75,355 | 0 | 0 | 0 | 75,355 |
| LIFE & AD & D | 21,387 | 0 | 0 | 0 | 21,387 |
| UTILIZATION MANAGEMENT | 34,091 | 0 | 0 | 0 | 34,091 |
| DISEASE MANAGEMENT | 61,993 | 0 | 0 | 0 | 61,993 |
| E.A.P. | 9,486 | 0 | 0 | 0 | 9,486 |
| P.P.O. | 111,895 | 0 | 0 | 0 | 111,895 |
| OPERATING EXPENSE | 243,925 | 0 | 0 | 0 | 243,925 |
| TOTAL EXPENSE | $11,696,619 | $0 | $0 | $0 | $11,696,619 |
| SURPLUS (DEFICIT) | **$75,628** | **$0** | **$0** | **$0** | **$75,628** |
| AVERAGE INCOME | $773 | $0 | $0 | $0 | $773 |
| AVERAGE EXPENSE | $768 | $0 | $0 | $0 | $768 |
| SURPLUS (DEFICIT) | $5 | $0 | $0 | $0 | $5 |
| TOTAL PARTICIPANTS | 5,074 | | | | 5,074 |

PLAN X
FULL TIME
2012

QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $10,672,851 | $3,766,527 | $6,805,608 | $10,987,310 | $32,232,296 |
| MISC. INCOME-LOA | (441) | 0 | 0 | 0 | (441) |
| -COBRA | 38,379 | 29,718 | 33,223 | 26,636 | 127,956 |
| -HMO COPAY | 127,799 | 108,764 | 92,135 | 102,496 | 431,194 |
| TOTAL INCOME | $10,838,588 | $3,905,009 | $6,930,966 | $11,116,442 | $32,791,005 |
| EXPENSES | | | | | |
| MEDICAL | $6,332,497 | $6,742,440 | $7,667,370 | $7,547,105 | $28,289,412 |
| A & S | 1,047,732 | 1,073,729 | 1,167,289 | 1,158,095 | 4,446,845 |
| DENTAL | 687,168 | 716,770 | 728,785 | 727,278 | 2,860,001 |
| DRUG | 2,597,355 | 1,870,241 | 2,550,012 | 2,560,207 | 9,577,815 |
| PSYCHE | 189,640 | 197,340 | 197,519 | 115,466 | 699,965 |
| OPTICAL | 75,898 | 75,923 | 75,552 | 75,350 | 302,723 |
| LIFE & AD & D | 21,479 | 21,598 | 21,420 | 21,387 | 85,884 |
| UTILIZATION MANAGEMENT | 34,595 | 35,285 | 34,772 | 36,203 | 140,855 |
| DISEASE MANAGEMENT | 75,450 | 76,159 | 59,813 | 60,274 | 271,696 |
| E.A.P. | 9,407 | 9,387 | 9,350 | 9,459 | 37,603 |
| P.P.O. | 104,096 | 108,289 | 107,789 | 115,425 | 435,599 |
| OPERATING EXPENSE | 239,737 | 309,719 | 251,764 | 258,804 | 1,060,024 |
| TOTAL EXPENSE | $11,415,054 | $11,236,880 | $12,871,435 | $12,685,053 | $48,208,422 |
| SURPLUS (DEFICIT) | **($576,466)** | **($7,331,871)** | **($5,940,469)** | **($1,568,611)** | **($15,417,417)** |
| AVERAGE INCOME | $712 | $250 | $455 | $731 | $537 |
| AVERAGE EXPENSE | $750 | $720 | $845 | $834 | $787 |
| SURPLUS (DEFICIT) | ($38) | ($470) | ($390) | ($103) | ($250) |
| TOTAL PARTICIPANTS | 5,074 | 5,200 | 5,075 | 5,068 | 5,104 |

PLAN X
PART TIME
FIRST QUARTER 2013

CONTRIBUTIONS
INDIVIDUAL

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | $430 | 1 | $430 |
| GIANT[1] | $430 | 2,860 | 3,692,063 |
| FRESH & GREEN | $430 | 14 | 17,630 |
| LOCAL 400 STAFF TEMPS | $430 | 1 | 430 |
| SAFEWAY[1] | $430 | 1,234 | 1,590,697 |
| SAFEWAY DELAWARE[1] | $430 | 60 | 76,970 |
| TOTAL | | 4,170 | $5,378,220 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $430

PLAN X = TIER II

PLAN X
PART TIME
FIRST QUARTER 2013

BENEFIT EXPENSE
INDIVIDUAL

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $58,073 | $4.64 | 3,911 PART |
| | | | | |
| DENTAL[1] | $29.63 | $347,708 | $27.79 | 3,912 PART |
| | | | | |
| DRUG | $.80/SCRIPT | $967,551 | $77.34 | 12,366 SCRIPTS |
| | | | | |
| HMO KAISER | $425.86 | $110,811 | | 87 PART |
| MEDICAL | | 2,547,254 | | |
| MEDICAL ADMINISTRATION | $11.06 | 132,809 | | 3,866 PART |
| TOTAL MEDICAL | | $2,790,874 | $223.09 | |
| | | | | |
| PSYCHE | $2.59 | $29,837 | $2.39 | 3,840 PART |
| PSYCHE | | $43,709 | $3.49 | |
| E.A.P. | $0.67 | $7,718 | $0.62 | 3,840 PART |
| UTILIZATION MANAGEMENT | $2.35 | $27,315 | $2.18 | 3,814 PART |
| DISEASE MANAGEMENT | $2.06 | $22,807 | $1.82 | 3,697 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $42,240 | $3.38 | 718 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $36,142 | $2.89 | 3,105 PART |
| P.P.O. AA, LLC | | $72 | $0.01 | |
| P.P.O. A & G | | $5,968 | $0.48 | |
| LIFE-AD&D | $.175/.018/1000 | $11,051 | $0.88 | 4,004 PART |
| A & S | | $256,904 | $20.54 | |
| SUB TOTAL | | **$4,647,969** | $371.54 | |

OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $139,594 | $11.16 | 4,144 PART |
| MISCELLANEOUS | | $58,095 | $4.64 | |
| SUB TOTAL | | $197,689 | $15.80 | |

| | | |
|---|---|---|
| TOTAL | **$4,845,658** | **$387.34** |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN X
PART TIME
FIRST QUARTER 2013

INDIVIDUAL
QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $5,378,220 | $0 | $0 | $0 | $5,378,220 |
| MISC. INCOME-LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 24,856 | 0 | 0 | 0 | 24,856 |
| -HMO COPAY | 27,032 | 0 | 0 | 0 | 27,032 |
| TOTAL INCOME | $5,430,108 | $0 | $0 | $0 | $5,430,108 |
| EXPENSES | | | | | |
| MEDICAL | $2,790,874 | $0 | $0 | $0 | $2,790,874 |
| A & S | 256,904 | 0 | 0 | 0 | 256,904 |
| DENTAL | 347,708 | 0 | 0 | 0 | 347,708 |
| DRUG | 967,551 | 0 | 0 | 0 | 967,551 |
| PSYCHE | 73,546 | 0 | 0 | 0 | 73,546 |
| OPTICAL | 58,073 | 0 | 0 | 0 | 58,073 |
| LIFE & AD & D | 11,051 | 0 | 0 | 0 | 11,051 |
| UTILIZATION MANAGEMENT | 27,315 | 0 | 0 | 0 | 27,315 |
| DISEASE MANAGEMENT | 22,807 | 0 | 0 | 0 | 22,807 |
| E.A.P. | 7,718 | 0 | 0 | 0 | 7,718 |
| P.P.O. | 84,422 | 0 | 0 | 0 | 84,422 |
| OPERATING EXPENSES | 197,689 | 0 | 0 | 0 | 197,689 |
| TOTAL EXPENSE | $4,845,658 | $0 | $0 | $0 | $4,845,658 |
| SURPLUS (DEFICIT) | **$584,450** | **$0** | **$0** | **$0** | **$584,450** |
| AVERAGE INCOME | $434 | $0 | $0 | $0 | $434 |
| AVERAGE EXPENSE | $387 | $0 | $0 | $0 | $387 |
| SURPLUS (DEFICIT) | $47 | $0 | $0 | $0 | $47 |
| TOTAL PARTICIPANTS | 4,170 | | | | 4,170 |

PLAN X
PART TIME
2012

INDIVIDUAL
QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $4,972,247 | $1,764,360 | $3,009,258 | $5,109,777 | $14,855,642 |
| MISC. INCOME-LOA | 0 | 0 | 845 | 438 | 1,283 |
| -COBRA | 32,891 | 18,922 | 21,699 | 24,838 | 98,350 |
| -HMO COPAY | 30,056 | 24,051 | 19,906 | 20,480 | 94,493 |
| TOTAL INCOME | $5,035,194 | $1,807,333 | $3,051,708 | $5,155,533 | $15,049,768 |
| EXPENSES | | | | | |
| MEDICAL | $3,613,532 | $2,698,126 | $3,885,101 | $2,622,235 | $12,818,994 |
| A & S | 229,051 | 218,420 | 275,338 | 235,680 | 958,489 |
| DENTAL | 301,832 | 317,481 | 329,590 | 334,422 | 1,283,325 |
| DRUG | 1,079,557 | 809,098 | 1,036,324 | 1,125,992 | 4,050,971 |
| PSYCHE | 57,631 | 59,096 | 57,128 | 49,497 | 223,352 |
| OPTICAL | 55,460 | 55,847 | 56,806 | 57,543 | 225,656 |
| LIFE & AD & D | 10,324 | 10,510 | 10,594 | 10,859 | 42,287 |
| UTILIZATION MANAGEMENT | 26,300 | 26,181 | 27,047 | 28,332 | 107,860 |
| DISEASE MANAGEMENT | 25,808 | 26,489 | 21,066 | 21,837 | 95,200 |
| E.A.P. | 7,292 | 7,325 | 7,476 | 7,643 | 29,736 |
| P.P.O. | 73,261 | 78,715 | 79,854 | 85,896 | 317,726 |
| OPERATING EXPENSES | 178,657 | 234,219 | 193,540 | 204,931 | 811,347 |
| TOTAL EXPENSE | $5,658,705 | $4,541,507 | $5,979,864 | $4,784,867 | $20,964,943 |
| SURPLUS (DEFICIT) | **($623,511)** | **($2,734,174)** | **($2,928,156)** | **$370,666** | **($5,915,175)** |
| AVERAGE INCOME | $441 | $151 | $253 | $417 | $316 |
| AVERAGE EXPENSE | $495 | $379 | $495 | $387 | $439 |
| SURPLUS (DEFICIT) | ($54) | ($228) | ($242) | $30 | ($123) |
| TOTAL PARTICIPANTS | 3,809 | 3,992 | 4,025 | 4,121 | 3,987 |

PLAN X
PART TIME
FIRST QUARTER 2013

CONTRIBUTIONS
DEPENDENT

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | $903 | 0 | $0 |
| GIANT[1] | $903 | 884 | 2,394,052 |
| FRESH & GREEN | $903 | 5 | 13,545 |
| LOCAL 400 STAFF TEMPS | $903 | 0 | 0 |
| SAFEWAY[1] | $903 | 215 | 582,750 |
| SAFEWAY DELAWARE | $903 | 6 | 16,254 |
| TOTAL | | 1,110 | $3,006,601 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $903

PLAN X = TIER II

PLAN X
PART TIME
FIRST QUARTER 2013

EXPENSES
DEPENDENT

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $16,454 | $4.94 | 1,108 PART |
| | | | | |
| DENTAL[1] | $60.98 | $203,064 | $60.98 | 1,110 PART |
| | | | | |
| DRUG | $.80/SCRIPT | $768,136 | $230.67 | 8,693 SCRIPTS |
| | | | | |
| HMO KAISER | $737.07 | $247,160 | | 112 PART |
| MEDICAL | | 1,783,117 | | |
| MEDICAL ADMINISTRATION | $11.06 | 34,201 | | 996 PART |
| TOTAL MEDICAL | | $2,064,478 | $619.96 | |
| | | | | |
| PSYCHE | $2.59 | $7,711 | $2.32 | 992 PART |
| PSYCHE | | $12,144 | $3.65 | |
| E.A.P. | $.67 | $1,995 | $0.60 | 992 PART |
| UTILIZATION MANAGEMENT | $2.35 | $7,544 | $2.27 | 988 PART |
| DISEASE MANAGEMENT | $2.06 | $17,697 | $5.31 | 977 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $11,552 | $3.47 | 196 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $9,207 | $2.76 | 791 PART |
| P.P.O. AA, LLC | | $20 | $0.01 | |
| P.P.O. A & G | | $1,629 | $0.49 | |
| LIFE-AD&D | $.175/.018/1000 | $2,794 | $0.84 | 1,012 PART |
| A & S | | $100,779 | $30.26 | |
| SUB TOTAL | | **$3,225,204** | $968.53 | |

OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $37,901 | $11.38 | 1,129 PART |
| MISCELLANEOUS | | $15,464 | $4.64 | |
| SUB TOTAL | | $53,365 | $16.02 | |

| | | |
|---|---|---|
| TOTAL | **$3,278,569** | **$984.55** |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN X
PART TIME
FIRST QUARTER 2013

DEPENDENT
QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $3,006,601 | $0 | $0 | $0 | $3,006,601 |
| MISC. INCOME -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 2,756 | 0 | 0 | 0 | 2,756 |
| -HMO COPAY | 42,747 | 0 | 0 | 0 | 42,747 |
| -DEP. COPAY | 180 | 0 | 0 | 0 | 180 |
| TOTAL INCOME | $3,052,284 | $0 | $0 | $0 | $3,052,284 |
| EXPENSES | | | | | |
| MEDICAL | $2,064,478 | $0 | $0 | $0 | $2,064,478 |
| A & S | 100,779 | 0 | 0 | 0 | 100,779 |
| DENTAL | 203,064 | 0 | 0 | 0 | 203,064 |
| DRUG | 768,136 | 0 | 0 | 0 | 768,136 |
| PSYCHE | 19,855 | 0 | 0 | 0 | 19,855 |
| OPTICAL | 16,454 | 0 | 0 | 0 | 16,454 |
| LIFE & AD & D | 2,794 | 0 | 0 | 0 | 2,794 |
| UTILIZATION MANAGEMENT | 7,544 | 0 | 0 | 0 | 7,544 |
| DISEASE MANAGEMENT | 17,697 | 0 | 0 | 0 | 17,697 |
| E.A.P. | 1,995 | 0 | 0 | 0 | 1,995 |
| P.P.O. | 22,408 | 0 | 0 | 0 | 22,408 |
| OPERATING EXPENSE | 53,365 | 0 | 0 | 0 | 53,365 |
| TOTAL EXPENSE | $3,278,569 | $0 | $0 | $0 | $3,278,569 |
| SURPLUS (DEFICIT) | **($226,285)** | **$0** | **$0** | **$0** | **($226,285)** |
| AVERAGE INCOME | $917 | $0 | $0 | $0 | $917 |
| AVERAGE EXPENSE | $985 | $0 | $0 | $0 | $985 |
| SURPLUS (DEFICIT) | ($68) | $0 | $0 | $0 | ($68) |
| TOTAL PARTICIPANTS | 1,110 | | | | 1,110 |

PLAN X
PART TIME
2012

DEPENDENT
QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $3,143,360 | $1,080,060 | $1,675,409 | $2,954,851 | $8,853,680 |
| MISC. INCOME -LOA | 0 | 0 | 897 | 0 | 897 |
| -COBRA | 1,963 | 0 | 3,791 | 2,756 | 8,510 |
| -HMO COPAY | 38,789 | 35,694 | 28,037 | 31,228 | 133,748 |
| -DEP. COPAY | 2,068 | 564 | 188 | 0 | 2,820 |
| TOTAL INCOME | $3,186,180 | $1,116,318 | $1,708,322 | $2,988,835 | $8,999,655 |
| EXPENSES | | | | | |
| MEDICAL | $1,808,901 | $2,317,672 | $2,266,300 | $2,081,196 | $8,474,069 |
| A & S | 89,323 | 94,941 | 80,201 | 72,454 | 336,919 |
| DENTAL | 186,999 | 193,697 | 198,379 | 199,326 | 778,401 |
| DRUG | 767,961 | 583,572 | 756,341 | 782,865 | 2,890,739 |
| PSYCHE | 41,129 | 43,679 | 57,139 | 44,786 | 186,733 |
| OPTICAL | 16,686 | 16,527 | 16,588 | 16,651 | 66,452 |
| LIFE & AD & D | 2,977 | 2,999 | 2,955 | 2,937 | 11,868 |
| UTILIZATION MANAGEMENT | 7,322 | 7,406 | 7,044 | 7,761 | 29,533 |
| DISEASE MANAGEMENT | 21,014 | 21,336 | 16,612 | 17,231 | 76,193 |
| E.A.P. | 1,989 | 1,965 | 1,970 | 2,011 | 7,935 |
| P.P.O. | 20,737 | 21,575 | 21,616 | 23,159 | 87,087 |
| OPERATING EXPENSE | 51,784 | 67,005 | 53,925 | 56,012 | 228,726 |
| TOTAL EXPENSE | $3,016,822 | $3,372,374 | $3,479,070 | $3,306,389 | $13,174,655 |
| SURPLUS (DEFICIT) | **$169,358** | **($2,256,056)** | **($1,770,748)** | **($317,554)** | **($4,175,000)** |
| AVERAGE INCOME | $952 | $333 | $518 | $886 | $672 |
| AVERAGE EXPENSE | $901 | $1,006 | $1,054 | $980 | $985 |
| SURPLUS (DEFICIT) | $51 | ($673) | ($536) | ($94) | ($313) |
| TOTAL PARTICIPANTS | 1,116 | 1,117 | 1,100 | 1,125 | 1,115 |

PLAN XX
FULL TIME
FIRST QUARTER 2013

CONTRIBUTIONS

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | $471 | 50 | $71,121 |
| GIANT[1] | $471 | 252 | 356,600 |
| FRESH & GREEN | $471 | 1 | 942 |
| LOCAL 27 STAFF TEMPS | $471 | 0 | 0 |
| LOCAL 400 STAFF TEMPS | $471 | 0 | 0 |
| SAFEWAY[1] | $471 | 220 | 314,113 |
| SAFEWAY DELAWARE[1] | $471 | 6 | 8,949 |
| TOTAL | | 529 | $751,725 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $474

PLAN XX
FULL TIME
FIRST QUARTER 2013

## EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $6,514 | $4.10 | 439 PART |
| | | | | |
| DENTAL FAMILY[1] | $35.95 | $20,060 | | 186 PART |
| DENTAL INDIVIDUAL[1] | $17.46 | 13,235 | | 253 PART |
| TOTAL DENTAL | | $33,295 | $20.98 | |
| | | | | |
| DRUG | $.80/SCRIPT | $81,876 | $51.59 | 1,364 SCRIPTS |
| | | | | |
| HMO KAISER | $359.38 | $48,236 | | 45 PART |
| MEDICAL INDIVIDUAL | | 119,927 | | |
| MEDICAL FAMILY | | 130,241 | | |
| MEDICAL ADMINISTRATION | $11.06 | 13,820 | | 402 PART |
| TOTAL MEDICAL | | $312,224 | $196.74 | |
| | | | | |
| PSYCHE | $2.59 | $3,141 | $1.98 | 404 PART |
| PSYCHE | | $897 | $0.57 | |
| UTILIZATION MANAGEMENT | $2.35 | $2,881 | $1.82 | 409 PART |
| DISEASE MANAGEMENT | $2.06 | $5,035 | $3.17 | 449 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $6,610 | $4.17 | 112 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $3,523 | $2.22 | 303 PART |
| LIFE AD&D | $.175/.018/1000 | $1,337 | $0.84 | 462 PART |
| A & S | | $27,720 | $17.47 | |
| SUB TOTAL | | **$485,053** | $305.65 | |

## OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $19,072 | $12.02 | 567 PART |
| MISCELLANEOUS | | $7,369 | $4.64 | |
| SUB TOTAL | | $26,441 | $16.66 | |
| TOTAL | | **$511,494** | **$322.31** | |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN XX
FULL TIME
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $751,725 | $0 | $0 | $0 | $751,725 |
| MISC. INCOME -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 2,461 | 0 | 0 | 0 | 2,461 |
| TOTAL INCOME | $754,186 | $0 | $0 | $0 | $754,186 |
| EXPENSES | | | | | |
| MEDICAL | $312,224 | $0 | $0 | $0 | $312,224 |
| A & S | 27,720 | 0 | 0 | 0 | 27,720 |
| DENTAL | 33,295 | 0 | 0 | 0 | 33,295 |
| DRUG | 81,876 | 0 | 0 | 0 | 81,876 |
| PSYCHE | 4,038 | 0 | 0 | 0 | 4,038 |
| OPTICAL | 6,514 | 0 | 0 | 0 | 6,514 |
| LIFE & AD & D | 1,337 | 0 | 0 | 0 | 1,337 |
| UTILIZATION MANAGEMENT | 2,881 | 0 | 0 | 0 | 2,881 |
| DISEASE MANAGEMENT | 5,035 | 0 | 0 | 0 | 5,035 |
| P.P.O. | 10,133 | 0 | 0 | 0 | 10,133 |
| OPERATING EXPENSE | 26,441 | 0 | 0 | 0 | 26,441 |
| TOTAL EXPENSE | $511,494 | $0 | $0 | $0 | $511,494 |
| SURPLUS (DEFICIT) | **$242,692** | **$0** | **$0** | **$0** | **$242,692** |
| AVERAGE INCOME | $475 | $0 | $0 | $0 | $475 |
| AVERAGE EXPENSE | $322 | $0 | $0 | $0 | $322 |
| SURPLUS (DEFICIT) | $153 | $0 | $0 | $0 | $153 |
| TOTAL PARTICIPANTS | 529 | | | | 529 |

PLAN XX
FULL TIME
2012

QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $682,147 | $216,720 | $500,182 | $733,245 | $2,132,294 |
| MISC. INCOME -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 961 | 2,564 | 1,487 | 6,553 | 11,565 |
| TOTAL INCOME | $683,108 | $219,284 | $501,669 | $739,798 | $2,143,859 |
| EXPENSES | | | | | |
| MEDICAL | $545,662 | $511,426 | $663,961 | $533,778 | $2,254,827 |
| A & S | 54,120 | 50,671 | 43,842 | 32,527 | 181,160 |
| DENTAL | 45,719 | 40,632 | 38,056 | 36,200 | 160,607 |
| DRUG | 123,285 | 80,893 | 92,379 | 90,011 | 386,568 |
| PSYCHE | 22,116 | 24,447 | 11,931 | 24,180 | 82,674 |
| OPTICAL | 9,063 | 8,103 | 7,629 | 7,316 | 32,111 |
| LIFE & AD & D | 1,858 | 1,634 | 1,540 | 1,466 | 6,498 |
| UTILIZATION MANAGEMENT | 4,284 | 3,753 | 3,327 | 3,269 | 14,633 |
| DISEASE MANAGEMENT | 8,205 | 7,227 | 5,352 | 5,052 | 25,836 |
| P.P.O. | 14,134 | 12,415 | 11,610 | 12,071 | 50,230 |
| OPERATING EXPENSE | 31,738 | 38,576 | 29,355 | 29,573 | 129,242 |
| TOTAL EXPENSE | $860,184 | $779,777 | $908,982 | $775,443 | $3,324,386 |
| SURPLUS (DEFICIT) | **($177,076)** | **($560,493)** | **($407,313)** | **($35,645)** | **($1,180,527)** |
| AVERAGE INCOME | $343 | $118 | $281 | $436 | $295 |
| AVERAGE EXPENSE | $432 | $421 | $509 | $457 | $455 |
| SURPLUS (DEFICIT) | ($89) | ($303) | ($228) | ($21) | ($160) |
| TOTAL PARTICIPANTS | 663 | 616 | 595 | 566 | 611 |

PLAN XX
PART TIME
FIRST QUARTER 2013

CONTRIBUTIONS

| COMPANY | RATE | PARTICIPANTS | CONTRIBUTIONS |
|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | $119 | 4 | $1,428 |
| GIANT[1] | $119 | 4,039 | 1,442,315 |
| FRESH & GREEN | $119 | 10 | 3,451 |
| LOCAL 400 STAFF TEMPS | $119 | 1 | 357 |
| SAFEWAY[1] | $119 | 2,127 | 759,096 |
| SAFEWAY DELAWARE[1] | $119 | 74 | 26,299 |
| TOTAL | | 6,255 | $2,232,946 |

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

AVG. MONTHLY CONTRIBUTIONS $119

PLAN XX
PART TIME
FIRST QUARTER 2013

## EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $31,773 | $1.69 | 2,140 PART |
| | | | | |
| DENTAL[1] | $17.46 | $112,215 | $5.98 | 2,142 PART |
| | | | | |
| DRUG | $.80/SCRIPT | $236,917 | $12.63 | 3,800 SCRIPTS |
| | | | | |
| HMO KAISER | $77.90 | $20,725 | | 89 PART |
| MEDICAL | | 816,292 | | |
| MEDICAL ADMINISTRATION | $11.06 | 82,349 | | 2,397 PART |
| TOTAL MEDICAL | | $919,366 | $48.99 | |
| | | | | |
| PSYCHE | $2.59 | $18,625 | $0.99 | 2,397 PART |
| PSYCHE | | $7,064 | $0.38 | |
| UTILIZATION MANAGEMENT | $2.35 | $17,085 | $0.91 | 2,397 PART |
| DISEASE MANAGEMENT | $2.06 | $15,217 | $0.81 | 2,466 PART |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $28,146 | $1.50 | 478 PART |
| P.P.O. CAREFIRST NETWORK | $3.88 | $22,283 | $1.19 | 1,914 PART |
| LIFE AD&D | $.175/.018/1000 | $3,606 | $0.19 | 2,490 PART |
| A & S | | $40,189 | $2.14 | |
| SUB TOTAL | | **$1,452,486** | $77.40 | |

## OPERATING EXPENSES

| | | | | |
|---|---|---|---|---|
| ADMINISTRATION | $11.18 | $207,880 | $11.08 | 6,181 PART |
| MISCELLANEOUS | | $87,143 | $4.64 | |
| SUB TOTAL | | $295,023 | $15.72 | |
| TOTAL | | **$1,747,509** | **$93.12** | |

[1]RATE CHANGE EFFECTIVE JANUARY 2013

PLAN XX
PART TIME
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $2,232,946 | $0 | $0 | $0 | $2,232,946 |
| MISC. INCOME -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 8,568 | 0 | 0 | 0 | 8,568 |
| TOTAL INCOME | $2,241,514 | $0 | $0 | $0 | $2,241,514 |
| EXPENSES | | | | | |
| MEDICAL | $919,366 | $0 | $0 | $0 | $919,366 |
| A & S | 40,189 | 0 | 0 | 0 | 40,189 |
| DENTAL | 112,215 | 0 | 0 | 0 | 112,215 |
| DRUG | 236,917 | 0 | 0 | 0 | 236,917 |
| PSYCHE | 25,689 | 0 | 0 | 0 | 25,689 |
| OPTICAL | 31,773 | 0 | 0 | 0 | 31,773 |
| LIFE & AD & D | 3,606 | 0 | 0 | 0 | 3,606 |
| UTILIZATION MANAGEMENT | 17,085 | 0 | 0 | 0 | 17,085 |
| DISEASE MANAGEMENT | 15,217 | 0 | 0 | 0 | 15,217 |
| P.P.O. | 50,429 | 0 | 0 | 0 | 50,429 |
| OPERATING EXPENSE | 295,023 | 0 | 0 | 0 | 295,023 |
| TOTAL EXPENSE | $1,747,509 | $0 | $0 | $0 | $1,747,509 |
| SURPLUS (DEFICIT) | **$494,005** | **$0** | **$0** | **$0** | **$494,005** |
| AVERAGE INCOME | $119 | $0 | $0 | $0 | $119 |
| AVERAGE EXPENSE | $93 | $0 | $0 | $0 | $93 |
| SURPLUS (DEFICIT) | $26 | $0 | $0 | $0 | $26 |
| TOTAL PARTICIPANTS | 6,255 | | | | 6,255 |

PLAN XX
PART TIME
2012

QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $2,047,932 | $673,227 | $1,327,373 | $2,110,916 | $6,159,448 |
| MISC. INCOME -LOA | 0 | 0 | 0 | 0 | 0 |
| -COBRA | 6,769 | 7,434 | 7,162 | 7,692 | 29,057 |
| TOTAL INCOME | $2,054,701 | $680,661 | $1,334,535 | $2,118,608 | $6,188,505 |
| EXPENSES | | | | | |
| MEDICAL | $1,159,843 | $1,141,478 | $1,420,212 | $1,350,529 | $5,072,062 |
| A & S | 49,947 | 48,949 | 44,860 | 54,273 | 198,029 |
| DENTAL | 126,227 | 123,955 | 118,430 | 110,802 | 479,414 |
| DRUG | 290,796 | 179,355 | 234,786 | 255,472 | 960,409 |
| PSYCHE | 59,834 | 81,073 | 78,825 | 33,397 | 253,129 |
| OPTICAL | 36,783 | 36,110 | 34,631 | 32,294 | 139,818 |
| LIFE & AD & D | 4,293 | 4,225 | 4,089 | 3,844 | 16,451 |
| UTILIZATION MANAGEMENT | 22,390 | 19,960 | 19,473 | 18,171 | 79,994 |
| DISEASE MANAGEMENT | 21,432 | 21,344 | 16,274 | 15,170 | 74,220 |
| P.P.O. | 59,053 | 57,340 | 54,665 | 56,510 | 227,568 |
| OPERATING EXPENSE | 317,224 | 410,122 | 320,142 | 318,226 | 1,365,714 |
| TOTAL EXPENSE | $2,147,822 | $2,123,911 | $2,346,387 | $2,248,688 | $8,866,808 |
| SURPLUS (DEFICIT) | **($93,121)** | **($1,443,250)** | **($1,011,852)** | **($130,080)** | **($2,678,303)** |
| AVERAGE INCOME | $99 | $34 | $69 | $114 | $79 |
| AVERAGE EXPENSE | $104 | $105 | $122 | $121 | $113 |
| SURPLUS (DEFICIT) | ($5) | ($71) | ($53) | ($7) | ($34) |
| TOTAL PARTICIPANTS | 6,894 | 6,756 | 6,433 | 6,178 | 6,565 |

ACTIVE PLANS
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $28,731,580 | $0 | $0 | $0 | $28,731,580 |
| EMPLOYEE CONTRIBUTIONS | 314,666 | 0 | 0 | 0 | 314,666 |
| INTEREST & DIVIDENDS - ACTIVE | 80,942 | 0 | 0 | 0 | 80,942 |
| MISCELLANEOUS[1] | 16,958 | 0 | 0 | 0 | 16,958 |
| TOTAL INCOME | $29,144,146 | $0 | $0 | $0 | $29,144,146 |
| EXPENSES | | | | | |
| MEDICAL | $16,370,913 | $0 | $0 | $0 | $16,370,913 |
| A & S | 2,063,608 | 0 | 0 | 0 | 2,063,608 |
| DENTAL | 1,688,442 | 0 | 0 | 0 | 1,688,442 |
| DRUG | 5,527,028 | 0 | 0 | 0 | 5,527,028 |
| PSYCHE | 243,004 | 0 | 0 | 0 | 243,004 |
| OPTICAL | 217,613 | 0 | 0 | 0 | 217,613 |
| LIFE & AD & D | 54,551 | 0 | 0 | 0 | 54,551 |
| UTILIZATION REVIEW | 100,981 | 0 | 0 | 0 | 100,981 |
| DISEASE MANAGEMENT | 143,157 | 0 | 0 | 0 | 143,157 |
| E.A.P. | 22,377 | 0 | 0 | 0 | 22,377 |
| P.P.O. | 317,847 | 0 | 0 | 0 | 317,847 |
| OPERATING EXPENSE | 896,856 | 0 | 0 | 0 | 896,856 |
| TOTAL EXPENSE | $27,646,377 | $0 | $0 | $0 | $27,646,377 |
| SURPLUS (DEFICIT) | **$1,497,769** | **$0** | **$0** | **$0** | **$1,497,769** |
| TOTAL PARTICIPANTS | 18,786 | 0 | 0 | 0 | 18,786 |
| FUND RESERVE | $33,899,866 | | | | |

[1]INCLUDES LITIGATION SETTLEMENT FOR 1st QTR:

| | |
|---|---|
| $153 | QWEST |
| 96 | MOTOROLA |
| 16,709 | PEDIATRIC PAXIL |
| $16,958 | |

COMBINED FUND
FIRST QUARTER 2013

QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $28,731,580 | $0 | $0 | $0 | $28,731,580 |
| EMPLOYER CONTR - RETIREE | $6,567,642 | 0 | 0 | 0 | $6,567,642 |
| EMPLOYEE CONTRIBUTIONS | 2,223,931 | 0 | 0 | 0 | 2,223,931 |
| INTEREST & DIVIDENDS - ACTIVE | 80,942 | 0 | 0 | 0 | 80,942 |
| INTEREST & DIVIDENDS - RETIREE | 20,548 | 0 | 0 | 0 | 20,548 |
| MISCELLANEOUS[1] | 16,958 | 0 | 0 | 0 | 16,958 |
| TOTAL INCOME | $37,641,601 | $0 | $0 | $0 | $37,641,601 |
| EXPENSES | | | | | |
| MEDICAL | $16,370,913 | $0 | $0 | $0 | $16,370,913 |
| RETIREES | 8,709,576 | 0 | 0 | 0 | 8,709,576 |
| A & S | 2,063,608 | 0 | 0 | 0 | 2,063,608 |
| DENTAL | 1,688,442 | 0 | 0 | 0 | 1,688,442 |
| DRUG | 5,534,708 | 0 | 0 | 0 | 5,534,708 |
| PSYCHE | 243,004 | 0 | 0 | 0 | 243,004 |
| OPTICAL | 217,613 | 0 | 0 | 0 | 217,613 |
| LIFE & AD & D | 54,551 | 0 | 0 | 0 | 54,551 |
| UTILIZATION REVIEW | 100,981 | 0 | 0 | 0 | 100,981 |
| DISEASE MANAGEMENT | 143,157 | 0 | 0 | 0 | 143,157 |
| E.A.P. | 22,377 | 0 | 0 | 0 | 22,377 |
| P.P.O. | 317,847 | 0 | 0 | 0 | 317,847 |
| OPERATING EXPENSE | 896,856 | 0 | 0 | 0 | 896,856 |
| TOTAL EXPENSE | $36,363,633 | $0 | $0 | $0 | $36,363,633 |
| SURPLUS (DEFICIT) | **$1,277,968** | **$0** | **$0** | **$0** | **$1,277,968** |
| TOTAL PARTICIPANTS | 18,786 | 0 | 0 | 0 | 18,786 |
| FUND RESERVE | $42,298,470 | | | | |

[1]INCLUDES LITIGATION SETTLEMENT FOR 1st QTR:

| | |
|---|---|
| $153 | QWEST |
| 96 | MOTOROLA |
| 16,709 | PEDIATRIC PAXIL |
| $16,958 | |

## COMBINED FUND 2012

### QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTR - ACTIVE | $35,314,778 | $9,630,119 | $16,749,190 | $27,562,362 | $89,256,449 |
| EMPLOYER CONTR - RETIREE | $0 | $2,426,918 | $3,911,107 | $6,458,479 | $12,796,504 |
| EMPLOYEE CONTRIBUTIONS | 2,377,266 | 2,280,053 | 2,154,791 | 2,176,829 | 8,988,939 |
| INTEREST & DIVIDENDS - ACTIVE | 285,315 | 271,137 | 305,868 | 121,547 | 983,867 |
| INTEREST & DIVIDENDS - RETIREE | | 66,639 | 77,339 | 31,017 | 174,995 |
| MISCELLANEOUS[1] | 2,593 | 2,272 | 5,235 | 4,147 | 14,247 |
| TOTAL INCOME | $37,979,952 | $14,677,138 | $23,203,530 | $36,354,381 | $112,215,001 |
| EXPENSES | | | | | |
| MEDICAL | $16,922,034 | $17,144,377 | $21,145,373 | $18,200,284 | $73,412,068 |
| RETIREES | 9,273,386 | 8,202,281 | 7,974,808 | 8,707,751 | 34,158,226 |
| A & S | 2,006,419 | 2,066,919 | 2,160,183 | 2,019,319 | 8,252,840 |
| DENTAL | 1,612,462 | 1,649,088 | 1,662,027 | 1,649,525 | 6,573,102 |
| DRUG | 6,288,186 | 4,546,899 | 5,979,339 | 6,087,504 | 22,901,928 |
| PSYCHE | 437,195 | 463,171 | 491,957 | 327,439 | 1,719,762 |
| OPTICAL | 226,918 | 224,589 | 222,389 | 219,366 | 893,262 |
| LIFE & AD & D | 56,937 | 56,600 | 55,804 | 55,245 | 224,586 |
| UTILIZATION REVIEW | 108,046 | 106,254 | 105,018 | 106,673 | 425,991 |
| DISEASE MANAGEMENT | 179,312 | 179,417 | 139,576 | 139,541 | 637,846 |
| E.A.P. | 22,243 | 22,115 | 22,135 | 22,366 | 88,859 |
| P.P.O. | 312,124 | 319,107 | 314,694 | 333,497 | 1,279,422 |
| OPERATING EXPENSE | 906,888 | 1,169,411 | 935,454 | 955,247 | 3,967,000 |
| TOTAL EXPENSE | $38,352,150 | $36,150,228 | $41,208,757 | $38,823,757 | $154,534,892 |
| SURPLUS (DEFICIT) | **($372,198)** | **($21,473,090)** | **($18,005,227)** | **($2,469,376)** | **($42,319,891)** |
| TOTAL PARTICIPANTS | 19,392 | 19,469 | 18,952 | 18,743 | 19,139 |
| FUND RESERVE | $77,687,906 | $70,103,810 | $46,341,810 | $38,832,606 | |

[1]INCLUDES LITIGATION SETTLEMENT FOR 4th QTR:

| | |
|---|---|
| $195 | CIGNA |
| 194 | MAXIM INTEGRATED |
| 1,380 | NORTHERN TIER ENERGY |
| 810 | OFFSHORE GROUP |
| 1,568 | UNITED RENTALS |
| $4,147 | |

COMBINED FUND
FIRST QUARTER 2013

MISCELLANEOUS

| | |
|---|---|
| ACTUARIAL & CONSULTING | $48,542 |
| COMPUFACTS | 9,020 |
| CONFERENCE | 2,904 |
| HCCCC | 3,500 |
| HEALTH CARE REFORM | 1,080 |
| INVESTMENT MANAGEMENT | 46,935 |
| LEGAL | 104,315 |
| MEETING | 189 |
| OFFICE SUPPLIES | 32 |
| POSTAGE | 29,202 |
| PRINTING | 13,038 |
| TELEPHONE | 2,963 |
| TOTAL | $261,720 |

DELINQUENCIES

NONE

# COMBINED FUND
# FELRA & UFCW HEALTH AND WELFARE FUND
# INCLUDING LEGAL, SEVERANCE AND SCHOLARSHIP
# FIRST QUARTER 2013

## QUARTERLY RECAPS

| INCOME | 1Q2013 | 2Q2013 | 3Q2013 | 4Q2013 | Total |
|---|---|---|---|---|---|
| Health | $37,641,601 | | | | $37,641,601 |
| Legal | 1,158,975 | | | | 1,158,975 |
| Severance | 156,163 | | | | 156,163 |
| Scholarship | 3,425 | | | | 3,425 |
| **Total Income** | $38,960,164 | $0 | $0 | $0 | $38,960,164 |

| EXPENSES | 1Q2013 | 2Q2013 | 3Q2013 | 4Q2013 | Total |
|---|---|---|---|---|---|
| Health | $36,363,633 | | | | $36,363,633 |
| Legal | 1,142,892 | | | | 1,142,892 |
| Severance | 2,119,957 | | | | 2,119,957 |
| Scholarship | 10,008 | | | | 10,008 |
| **Total Expenses** | $39,636,490 | $0 | $0 | $0 | $39,636,490 |

| Surplus/(Deficit) | 1Q2013 | 2Q2013 | 3Q2013 | 4Q2013 | Total |
|---|---|---|---|---|---|
| Health | $1,277,968 | $0 | $0 | $0 | $1,277,968 |
| Legal | 16,083 | 0 | 0 | 0 | 16,083 |
| Severance | (1,963,794) | 0 | 0 | 0 | (1,963,794) |
| Scholarship | (6,583) | 0 | 0 | 0 | (6,583) |
| **Total Surplus/(Deficit)** | ($676,326) | $0 | $0 | $0 | ($676,326) |

| | | | | |
|---|---|---|---|---|
| **Fund Reserve** | $58,769,650 | | | |

# COMBINED FUND
# FELRA & UFCW HEALTH AND WELFARE FUND
# INCLUDING LEGAL, SEVERANCE AND SCHOLARSHIP
# 2012

## QUARTERLY RECAPS

| INCOME | 1Q2012 | 2Q2012 | 3Q2012 | 4Q2012 | Total |
|---|---|---|---|---|---|
| Health | $37,979,952 | $13,981,776 | $21,207,835 | $36,354,381 | $109,523,944 |
| Legal | 1,190,952 | 1,205,489 | 1,176,946 | 1,150,859 | 4,724,246 |
| Severance | 153,029 | 5,333,313 | 178,360 | 214,935 | 5,879,637 |
| Scholarship | 3,219 | 7,729 | 3,862 | 6,225 | 21,035 |
| **Total Income** | $39,327,152 | $20,528,307 | $22,567,003 | $37,726,400 | $120,148,862 |

| EXPENSES | 1Q2012 | 2Q2012 | 3Q2012 | 4Q2012 | Total |
|---|---|---|---|---|---|
| Health | $38,352,150 | $36,150,228 | $41,208,757 | $38,823,757 | $154,534,892 |
| Legal | 1,158,453 | 1,164,490 | 1,147,401 | 1,119,648 | 4,589,992 |
| Severance | 4,842,692 | 1,811,458 | 1,903,295 | 2,424,987 | 10,982,432 |
| Scholarship | 9,120 | 17,048 | 29,640 | 10,336 | 66,144 |
| **Total Expenses** | $44,362,415 | $39,143,224 | $44,289,093 | $42,378,728 | $170,173,460 |

| Surplus/(Deficit) | 1Q2012 | 2Q2012 | 3Q2012 | 4Q2012 | Total |
|---|---|---|---|---|---|
| Health | ($372,198) | ($22,168,452) | ($20,000,922) | ($2,469,376) | ($45,010,948) |
| Legal | 32,499 | 40,999 | 29,545 | 31,211 | 134,254 |
| Severance | (4,689,663) | 3,521,855 | (1,724,935) | (2,210,052) | (5,102,795) |
| Scholarship | (5,901) | (9,319) | (25,778) | (4,111) | (45,109) |
| **Total Surplus/(Deficit)** | ($5,035,263) | ($18,614,917) | ($21,722,090) | ($4,652,328) | ($50,024,598) |

| Fund Reserve | $95,699,081 | $91,473,436 | $66,793,346 | $56,882,760 |
|---|---|---|---|---|

# CONTRACT INFORMATION
# FIRST QUARTER 2013

| COMPANY | PLAN | RATES | EFF. DATE | CONTRACT EXP. |
|---|---|---|---|---|
| ASSOCIATED ADMINISTRATORS | X | 762.00 | 07-01-13 | 10-29-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| G & G EDDIES | X | 715.00 | 07-01-13 | 07-31-13 |
| GIANT 27 | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| GIANT 400 | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| GIANT 400 PHARMACY | X | 762.00 | 07-01-13 | 10-31-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| GIANT DELAWARE | X | 762.00 | 07-01-13 | 10-31-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| GIANT LEXINGTON PARK 400 | X | 762.00 | 07-01-13 | 10-31-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| GIANT VALLEY 400 | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| SAFEWAY 27 | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |

## CONTRACT INFORMATION
## FIRST QUARTER 2013

| COMPANY | PLAN | RATES | EFF. DATE | CONTRACT EXP. |
|---|---|---|---|---|
| SAFEWAY 400 | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| SAFEWAY CULPEPER | I | 2,510.00 | 07-01-13 | 10-31-13 |
| | I | 2,399.00 | 07-01-13 | |
| | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| SAFEWAY DELAWARE | X | 762.00 | 07-01-13 | 10-31-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| SAFEWAY DOVER | X | 762.00 | 07-01-13 | 10-31-13 |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| STAFF 27 | X | 762.00 | 07-01-13 | |
| | X | 430.00 | 07-01-13 | |
| | X | 903.00 | 07-01-13 | |
| | XX | 471.00 | 07-01-13 | |
| | XX | 119.00 | 07-01-13 | |
| STAFF 400 | X | 762.00 | 07-01-13 | |

# *FELRA & UFCW*

# *RETIREE HEALTH PLAN*

# *FIRST QUARTER 2013*

## *ADMINISTRATIVE MANAGER'S REPORT*

# FULL TIME RETIREES
# FIRST QUARTER 2013

## INCOME

| | |
|---|---|
| EMPLOYER CONTRIBUTIONS | $5,638,129 |
| RETIREE COPAYMENTS | $1,566,166 |
| INTEREST AND DIVIDENDS | $16,855 |
| TOTAL INCOME | **$7,221,150** |

## EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $56,657 | $4.83 | 3,815 RET |
| | | | | |
| DENTAL[1] | $29.39 | $336,487 | | 3,816 RET |
| TOTAL DENTAL | | $336,487 | $28.67 | |
| | | | | |
| DRUG | $.80/1.25/SCRIPT | $1,453,425 | | 26,641 SCRIPTS |
| DRUG CLAIMS | | 0 | | |
| DRUG FEES | $0.21/CLAIM | 3,121 | | |
| TOTAL DRUG | | $1,456,546 | $124.11 | |
| | | | | |
| HMO CIGNA | | $3,313,392 | | 1,248 RET |
| HMO KAISER | | 1,225,264 | | 1,450 RET |
| HMO WELL CARE CHOICE | | 122 | | 1 RET |
| HOSPITAL | | 394,660 | | |
| SURGICAL | | 191,131 | | |
| DIAGNOSTIC | | 81,057 | | |
| MAJOR MEDICAL | | 381,398 | | |
| MEDICAL ADMINISTRATION | $11.06 | 45,549 | | 1,326 RET |
| TOTAL MEDICAL | | $5,632,573 | $479.94 | |
| | | | | |
| PSYCHE | $2.59 | $18,169 | $1.55 | 2,338 RET |
| PSYCHE | | $2,058 | $0.18 | |
| UTILIZATION MANAGEMENT | $2.35 | $1,097 | $0.09 | 66 RET |
| DISEASE MANAGEMENT | $2.06 | $528 | $0.04 | 68 RET |
| P.P.O. CAREFIRST FLEXLINK | $19.61 | $2,283 | $0.19 | 39 RET |
| P.P.O. CAREFIRST NETWORK | $3.88 | $70 | $0.01 | 6 RET |
| P.P.O. AA, LLC | | $68 | $0.01 | |
| P.P.O. A & G | | $5,688 | $0.48 | |
| ADMINISTRATION | $5.33 | $62,547 | $5.33 | 3,912 RET |
| TOTAL EXPENSES | | **$7,574,771** | **$645.43** | |
| SURPLUS (DEFICIT) | | **($353,621)** | | |

RETIREES 3,912
AVERAGE COST PER RETIREE $645.43

[1]RATE CHANGE EFFECTIVE JANUARY 2013

| PART TIME RETIREES<br>FIRST QUARTER 2013 |
|---|

INCOME

| | |
|---|---|
| EMPLOYER CONTRIBUTIONS | $929,513 |
| RETIREE COPAYMENTS | $343,099 |
| INTEREST AND DIVIDENDS | $3,692 |
| TOTAL INCOME | **$1,276,304** |

EXPENSES

| BENEFIT | RATE | EXPENSE | AVG. COST | COMMENT |
|---|---|---|---|---|
| OPTICAL | $4.95 | $12,786 | $4.97 | 861 RET |
| | | | | |
| DENTAL[1] | $29.39 | $75,944 | $29.54 | 861 RET |
| | | | | |
| DRUG | $.80/1.25/SCRIPT | $231,846 | | 3,664 SCRIPTS |
| DRUG CLAIMS | | $0 | | |
| DRUG FEES | $0.21/CLAIM | 483 | | |
| DRUG | | $232,329 | $90.37 | |
| | | | | |
| HMO CIGNA | | $374,021 | | 243 RET |
| HMO KAISER | | 278,927 | | 409 RET |
| WELL CARE CHOICE | | 122 | | 1 RET |
| HOSPITAL | | 53,554 | | |
| SURGICAL | | 35,749 | | |
| DIAGNOSTIC | | 15,013 | | |
| MAJOR MEDICAL | | 16,239 | | |
| MEDICAL ADMINISTRATION | $11.06 | 8,621 | | 251 RET |
| TOTAL MEDICAL | | $782,246 | $304.26 | |
| | | | | |
| PSYCHE | $2.59 | $3,682 | $1.43 | 474 RET |
| PSYCHE | | $12,213 | $4.75 | |
| UTILIZATION MANAGEMENT | $2.35 | $66 | $0.03 | 9 RET |
| DISEASE MANAGEMENT | $2.06 | $87 | $0.03 | 16 RET |
| P P O CAREFIRST FLEXLINK | $19.61 | $476 | $0.19 | 8 RET |
| P P O CAREFIRST NETWORK | $3.88 | $23 | $0.01 | 2 RET |
| P P O AA, LLC | | $15 | $0.01 | |
| P P O A & G | | $1,240 | $0.48 | |
| ADMINISTRATION | $5.33 | $13,698 | $5.33 | 857 RET |
| TOTAL EXPENSES | | **$1,134,805** | **$441.39** | |
| SURPLUS (DEFICIT) | | **$141,499** | | |

RETIREES 857
AVERAGE COST PER RETIREE $441.39

[1]RATE CHANGE EFFECTIVE JANUARY 2013

# 2013
# RETIREES
# QUARTERLY RECAPS

| | FIRST 2013 | SECOND 2013 | THIRD 2013 | FOURTH 2013 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | $6,567,642 | $0 | $0 | $0 | $6,567,642 |
| RETIREE COPAYMENTS | $1,909,265 | 0 | 0 | 0 | $1,909,265 |
| INTEREST & DIVIDENDS | 20,547 | 0 | 0 | 0 | 20,547 |
| TOTAL INCOME | $8,497,454 | $0 | $0 | $0 | $8,497,454 |
| EXPENSES | | | | | |
| MEDICAL | $6,414,819 | $0 | $0 | $0 | $6,414,819 |
| DENTAL | 412,431 | 0 | 0 | 0 | 412,431 |
| DRUG | 1,688,875 | 0 | 0 | 0 | 1,688,875 |
| PSYCHE | 36,122 | 0 | 0 | 0 | 36,122 |
| OPTICAL | 69,443 | 0 | 0 | 0 | 69,443 |
| UTILIZATION MANAGEMENT | 1,163 | 0 | 0 | 0 | 1,163 |
| DISEASE MANAGEMENT | 615 | 0 | 0 | 0 | 615 |
| P.P.O. | 9,863 | 0 | 0 | 0 | 9,863 |
| ADMINISTRATION | 76,245 | 0 | 0 | 0 | 76,245 |
| TOTAL EXPENSES | $8,709,576 | $0 | $0 | $0 | $8,709,576 |
| SURPLUS (DEFICIT) | ($212,122) | $0 | $0 | $0 | ($212,122) |
| TOTAL PARTICIPANTS | 4,769 | | | | 4,769 |
| FUND RESERVE | $8,398,604 | | | | |

# 2012
# RETIREES
# QUARTERLY RECAPS

| | FIRST 2012 | SECOND 2012 | THIRD 2012 | FOURTH 2012 | TOTAL |
|---|---|---|---|---|---|
| EMPLOYER CONTRIBUTIONS | | $808,973 | $3,911,107 | $6,458,478 | $11,178,558 |
| RETIREE COPAYMENTS | | $673,150 | $1,918,356 | $1,920,106 | $4,511,612 |
| INTEREST & DIVIDENDS | | 22,213 | 77,338 | 31,017 | 130,568 |
| TOTAL INCOME | $0 | $1,504,336 | $5,906,801 | $8,409,601 | $15,820,738 |
| EXPENSES | | | | | |
| MEDICAL | | $1,924,266 | $5,295,914 | $5,769,483 | $12,989,663 |
| DENTAL | | 134,006 | 402,758 | 401,560 | 938,324 |
| DRUG | | 378,329 | 2,068,026 | 2,316,866 | 4,763,221 |
| PSYCHE | | 18,102 | 49,732 | 64,383 | 132,217 |
| OPTICAL | | 23,245 | 69,810 | 69,631 | 162,686 |
| UTILIZATION MANAGEMENT | | 1,111 | 2,206 | 2,762 | 6,079 |
| DISEASE MANAGEMENT | | 226 | 519 | 288 | 1,033 |
| P.P.O. | | 3,803 | 9,213 | 6,298 | 19,314 |
| ADMINISTRATION | | 25,509 | 76,630 | 76,480 | 178,619 |
| TOTAL EXPENSES | $0 | $2,508,597 | $7,974,808 | $8,707,751 | $19,191,156 |
| SURPLUS (DEFICIT) | | ($1,004,262) | ($2,068,007) | ($298,150) | ($3,370,419) |
| TOTAL PARTICIPANTS | 0 | 4,786 | 4,793 | 4,783 | 4,787 |
| FUND RESERVE | | $8,944,374 | $8,389,752 | $8,539,557 | |

[1] INCLUDES INCOME AND EXPENSES FOR JUNE 2012 ONLY

# INVOICES

**FELRA & UFCW**
**HEALTH AND WELFARE FUND**
**INVOICES**

**AUGUST 28, 2013**

1. **Associated Administrators, LLC**

| | | | |
|---|---|---|---|
| 05/22/13 | Meeting Expenses – Regular Meeting | $ | 244.55 |
| 06/11/13 | Meeting Expenses - Appeals Meeting | | 26.49 |
| 08/13/13 | S. Stoner –Name Plate | | 3.50 |

2. **Bank of New York Mellon**

| | | | |
|---|---|---|---|
| 05/23/13 | Investment Management Fee – 1Q13 | $ | 2,168.66 |

3. **Cadence Capital Management**

| | | | |
|---|---|---|---|
| 07/15/13 | Investment Management Fee – 2Q13 | $ | 466.00 |

4. **Cheiron**

| | | | |
|---|---|---|---|
| 05/17/13 | Retainer Services – 04/13 | $ | 5,125.00 |
| 06/26/13 | Retainer Services – 05/13 | | 5,125.00 |
| 07/23/13 | Supplemental Services – 06/13 | | 3,191.25 |
| 07/23/13 | Retainer Services – 06/13 | | 5,125.00 |

5. **Fountain Capital Management, LLC**

| | | | |
|---|---|---|---|
| 07/29/13 | Investment Management Fee –2Q13 | $ | 3,668.00 |

6. **Halperin Battaglia Raicht, LLP**

| | | | |
|---|---|---|---|
| 07/16/13 | Services rendered and expenses incurred for the period 06/01/13 – 06/30/13 related to A & P Bankruptcy | $ | 1,235.00 |

7. **Intech (Janus Capital Group)**

| | | | |
|---|---|---|---|
| 05/14/13 | Investment Management Fee – Advisory Fee – 04/13 | $ | 676.78 |
| 06/14/13 | Investment Management Fee – Advisory Fee – 05/13 | | 714.52 |
| 07/23/13 | Investment Management Fee – Advisory Fee – 06/13 | | 695.99 |

8. **Morgan, Lewis & Bockius, L.L.P.**

| | | | |
|---|---|---|---|
| 06/14/13 | Professional Services Rendered through 04/13 | $ | 31,774.98 |

9. **NEPC**

| | | | |
|---|---|---|---|
| 06/13/13 | Consulting Fee – 2Q13 | $ | 7,884.62 |

10. **NWQ**

| | | | |
|---|---|---|---|
| 03/31/13 | Investment Management Fee – 1Q13 | $ | 2,781.04 |

11. **Segal Co.**

| | | | |
|---|---|---|---|
| 04/30/13 | For consulting services rendered in connection with plan language regarding coverage for PA, CRNA, SA for the period ended March 31, 2013 | $ | 3,000.00 |

12. **Segall, Bryant & Hamill**

| | | | |
|---|---|---|---|
| 07/29/13 | Investment Management Fee – 2Q13 – Acct. B1F9853 | $ | 3,943.39 |
| 07/29/13 | Investment Management Fee – 2Q13 – Acct. B1F9853T | | 88.78 |

13. **Slevin & Hart P.C.**

| | | | |
|---|---|---|---|
| 05/13/13 | Subrogation Services rendered for the period 01/01/13 – 03/31/13 | $ | 24,731.32 |
| 05/22/13 | Professional Services rendered through 04/30/13 | | 32,564.33 |
| 06/20/13 | Professional Services rendered through 05/31/13 | | 36,521.26 |
| 07/23/13 | Professional Services rendered through 06/30/13 | | 13,461.47 |

14. **UFCW Local 27**

| | | | |
|---|---|---|---|
| 08/12/13 | E. Masten – Reimbursement of meeting expenses incurred at the May 22, 2013 Board of Trustees Meeting | $ | 270.26 |

**FELRA & UFCW**
**HEALTH AND WELFARE FUND – RETIREE PLAN**
**INVOICES**

**AUGUST 28, 2013**

| | | | | |
|---|---|---|---|---|
| 1. | **A & R Associates** | | | |
| | 05/02/13 | Renewal of Fidelity Bond through Chubb | $ | 1,000.00 |
| 2. | **Slevin & Hart P.C.** | | | |
| | 07/23/13 | Professional Services rendered through 06 | $ | 1,132.50 |

# AA LLC Associated Administrators, LLC

August 28, 2013

To: Board of Trustees
FELRA and UFCW Health and Welfare Fund

From: Bill Jensen

Subj: PPACA/Compliance Invoice for First Quarter 2013

Gentlemen:

Attached is Associated's invoice for PPACA related work for the First Quarter 2013. The total is $2,450.00. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
4301 Garden City Drive, Suite 201, Landover, MD 20785-6102 (301) 459-3020

| *PPACA Charges* | *FELRA* |
|---|---|
| Specific to FELRA Fund | $2,450.00 |
| | |
| Totals | $ 2,450.00 |

**AA LLC** ***Associated Administrators, LLC***

August 28, 2013

To: Board of Trustees
FELRA and UFCW Health and Welfare Fund

From: Bill Jensen

Subj: PPACA/Compliance Invoice for Second Quarter 2013

Gentlemen:

Attached is Associated's invoice for PPACA related work for the Second Quarter 2013. The total is $1,506.00. Our contract with the Fund specifies hourly rates to be charged for PPACA related work, at the same rates as is permitted for compliance related work. In addition to the executive summary of charges attached, we have full backup of materials related to our staff's hourly charges available for review if desired. We ask your review and approval of this invoice.

Please feel free to contact me with questions.

911 Ridgebrook Road, Sparks, MD 21152-9451 (410) 683-6500
4301 Garden City Drive, Suite 201, Landover, MD 20785-6102 (301) 459-3020

| PPACA Charges | FELRA |
|---|---|
| General for all clients | $ 681.00 |
| Specific to FELRA Fund | $ 825.00 |
| | |
| Totals | $ 1,506.00 |

# OTHER FUND BUSINESS

## Bill Jensen

**From:** Poffenbaugh, Terry [Terry.Poffenbaugh@valueoptions.com]
**Sent:** Friday, August 23, 2013 12:28 PM
**To:** Bill Jensen
**Subject:** ValueOptions rates for 2014
**Attachments:** FELRA & UFCW - Proposed Rates for 2014.pdf

Hi Bill,

ValueOptions has completed a thorough review of the services that we provide to the members of the FELRA and UFCW Plans through the managed behavioral health and employee assistance programs in respect to the rates we are proposing for the 2014 Calendar Year. I am pleased to report that we have determined to offer the same rates for these programs and services to the Plans that have been in place since 2008, as is detailed in the attachment here.

ValueOptions is honored to serve the FELRA and UFCW Plans and their members, and we look forward to the opportunity to continue our partnership in 2014. Please let me know of any questions or need for further information you may have as you and your colleagues with the Plans review our proposal. I look forward to learning of the results of this review at your earliest convenience.

Best Regards,

**Terry Poffenbaugh**

Sr. Account Executive

ValueOptions®

Terry.Poffenbaugh@valueoptions.com

5939 Durbin Rd | Sylvania | Ohio | 43560

p)248-697-0512, Internal)500512, c)734-660-9674, f)877-398-5864

# ValueOptions: Proposed Rates for FELRA and UFCW Calendar Year 2014

| Product | Claims Funding | Proposed Rate for 2014 |
|---|---|---|
| **FELRA MHSA** | **ASO** | **$2.59 PEPM** |
| **FELRA EAP** | **Fully Insured** | **$0.67 PEPM** |
| **UFCW MHSA** | **ASO** | **$2.51 PEPM** |
| **UFCW EAP – Plans K, Y** | **Fully Insured** | **$0.67 PEPM** |
| **UFCW EAP – Plans T, Z** | **Fully Insured** | **$0.88 PEPM** |

Conveyed to the Plan Administrator on August 23rd, 2013

# AFFORDABLE CARE ACT

AUGUST 2013 UPDATE

The Affordable Care Act ("ACA") is providing challenges to employers throughout the country. Associated Administrators, LLC is no different; our company and our Fund clients are facing new questions every day. This update on the ACA provides information about the key items that have already been completed under ACA, the challenges ahead, and some thoughts about how the ACA and multiemployer plans differ.

## 1. ACA ITEMS ALREADY COMPLETED

Since the passage of the ACA in 2010, plan sponsors and administrators have been working towards meeting the new requirements. A few of the areas that have already been completed:

- ***Age 26 rule*** - the maximum age for dependents was raised to 26.
- ***Benefit Maximums*** - lifetime maximums were eliminated, and annual caps on benefits are eliminated as of 1/1/14.
- ***Grandfathered plans.***
    - Non-grandfathering required new preventive care benefits and appeal rights among the changes.
- ***Summary of Benefits and Coverage ("SBCs")*** – first plan year beginning after 9/23/12.
    - Must be given out during any enrollment opportunity.
    - Must be available 30 days prior to the start of a plan year.
- ***Patient-Centered Outcomes Research Fee ("PCORI")*** - $1/participant was due on 7/31/13. The fee increases to $2 for 2014 and will be adjusted annually. The fee is set to sunset after the 2018 plan year (due 7/31/19).

## 2. IMMEDIATE FUTURE ITEMS

Now through 2014, there are some major milestones that occur within ACA:

- ***Exchanges ("marketplace") open 10/1/13, for coverage available 1/1/14.***
    - Employers are required to send a letter to employees telling them of availability of exchanges, potential availability of tax credits, and if the employer is providing adequate ("minimum essential coverage") and affordable (9.5% test) coverage.
        - DOL has issued 2 templates, one for employers offering coverage and one for those not offering coverage.
        - Employers are also required to send the notice to new employees within 14 days of their start date.
        - 10/1/13 deadline.
        - This also impacts COBRA notice - new draft language provided by DOL.

- ***Premium Assistance Tax Credit Eligibility*** – only available if adequate and affordable employer coverage is not available.
    - Only available for individual market coverage on the Exchange.
    - Available to individuals with between 100% and 400% of federal poverty line. Phases out as household income increases.
    - No tax credits to buy dependent coverage if employer offers unaffordable dependent coverage.

- ***Waiting periods over 90 days are prohibited effective 1/1/14.***
    - If employee is "variable hour employee" waiting period could be as long as 13 months. (This applies to part-timers with hours-based eligibility requirement.)

- ***Employer Shared Responsibility Penalty ("pay or play" rule)*** – delayed until 2015.
    - Applies to large employers (50+ FTE).
    - 2 types of penalties:
        - Employer does not offer minimum essential coverage to at least 95% of FTEs and 1 employee receives a subsidy, penalty is $2,000 x (total of FTEs minus 30).
        - Employer offers minimum essential coverage that is not affordable (> 9.5% of household income) or does not meet minimum value (60/40 plan) and at least 1 employee receives a subsidy, penalty is $3,000 per FTE receiving a subsidy. Affordability is based on self-only coverage and employee's income only; dependent coverage can be unaffordable with no employer penalty. Definition of dependent does not include spouse.

- ***Individual mandate & elimination of pre-existing condition limitations*** – 1/1/14.

- ***W-2 reporting on the value of employer-sponsored coverage for 2013*** – due January 2014. (Does not apply to multiemployer plans for now.)

- ***HIPAA 5010 and ICD-10*** – Claim payers must be compliant by October 1, 2014.
    - HIPAA 5010 requirements update the standards for electronic transactions (including claims). More than 800 changes are needed to transition from the current 4010 to 5010.
    - The International Classification of Diseases, 10th Edition ("ICD-10") is the update of sign and symptom codes developed by the World Health Organization and used by physicians and health care professionals to report diagnoses and procedures.
        - The current ICD-9 system has 13,000 diagnosis codes and 3,000 procedure codes; ICD-10 has 68,000 diagnosis codes and 87,000 procedure codes.
        - ICD-9 codes have three or four digits; ICD-10 has seven.

## 3. 2015 AND BEYOND

More fees and regulations will impact employers in 2015 and beyond:

- ***Maximum out-of-pocket cost ($6,350 / $12,700)*** – delayed for group plans until 1/1/15.

- ***Reinsurance "contribution" to stabilize market*** – plan years 2014-2016
  - 2014 fee is $63 for each covered life, adjusted annually.
  - Plans must submit enrollment count by 11/15/14, invoice by government in December 2014, and payment due January 2015.
  - Calculated based on average number of covered lives, including dependents (children under age 26).
  - Excludes retirees enrolled in Medicare.

- ***Health insurance provider fee of 2%*** - permanent fee – begins in 2014.
  - Includes HMOs and fully-insured plans.
  - Does not include self-insured employers.

- ***Auto-enrollment of new hires*** – sometime after 2014.

- ***"Cadillac Tax"*** - beginning in 2018, a 40% excise tax on the value of health insurance benefits exceeding the threshold.
  - $10,200 for single coverage, $27,500 for family coverage, indexed.
  - Multiemployer plans considered family plans.
  - High risk professions, including construction, adjusted upwards.
  - Plan administrator will be responsible on self-insured plans.

## 4. MULTI-EMPLOYER TRANSITION RULE

- ***IRS Transition Rule - through 2014, a large employer that makes contributions to a multiemployer plan would not owe a penalty for a full time employee if:***
  - The employer is required to contribute to the plan with respect to that employee due to a Collective Bargaining Agreement or Participation Agreement;
  - Coverage is offered by the plan to the full time employee and their dependent children under age 26; and
  - The coverage offered to full time employees is affordable and provides minimum value.

*Note: This summary is not meant to be a comprehensive description of the Affordable Care Act ("ACA") and only hits on points that could impact our Fund clients. The rules are being defined daily. We expect quite a few new regulations and advisories to be issued in the Fall of 2013 and we will keep everyone informed as much as possible. This summary should not be construed as advice and Fund Counsel should be contacted for specific questions.*

**Food Employers Labor Relations Association**
**and United Food and Commercial Workers**
**Health and Welfare Fund**

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

# MEMORANDUM

To: Board of Trustees of the
FELRA and UFCW Health and Welfare Fund

From: William R. Jensen

Date: August 28, 2013

Subj: COBRA Forms

Attached is a copy of the model COBRA form, revised by IRS to include the option for application to the exchanges as of January 1, 2014. The changes to the prior model notice are underlined.

We will work with Fund Counsel to adapt the forms being used by the Fund, yet the terminated participants will not be eligible to commence coverage until January 1, 2014, so the timing of the change in the forms will likely occur in November at the earliest.

Should you have any questions, please feel free to contact me.

**Model COBRA Continuation Coverage Election Notice**
**(For use by single-employer group health plans)**

[*Enter date of notice*]

Dear: [*Identify the qualified beneficiary(ies), by name or status*]

**This notice contains important information about your right to continue your health care coverage in the [*enter name of group health plan*] (the Plan), as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace.** Please read the information contained in this notice very carefully.

To elect COBRA continuation coverage, follow the instructions on the next page to complete the enclosed Election Form and submit it to us.

If you do not elect COBRA continuation coverage, your coverage under the Plan will end on [*enter date*] due to [*check appropriate box*]:

☐ End of employment
☐ Death of employee
☐ Entitlement to Medicare
☐ Reduction in hours of employment
☐ Divorce or legal separation
☐ Loss of dependent child status

Each person ("qualified beneficiary") in the category(ies) checked below is entitled to elect COBRA continuation coverage, which will continue group health care coverage under the Plan for up to ___ months [*enter* 18 *or* 36, *as appropriate and check appropriate box or boxes; names may be added*]:

☐ Employee or former employee
☐ Spouse or former spouse
☐ Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage
☐ Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

If elected, COBRA continuation coverage will begin on [*enter date*] and can last until [*enter date*]. [*Add, if appropriate:* You may elect any of the following options for COBRA continuation coverage: [*list available coverage options*].

COBRA continuation coverage will cost: [*enter amount each qualified beneficiary will be required to pay for each option per month of coverage and any other permitted coverage periods.*] You do not have to send any payment with the Election Form. Important additional information about payment for COBRA continuation coverage is included in the pages following the Election Form.

There may be other coverage options for you and your family. When key parts of the health care law take effect, you'll be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums

right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days.

If you have any questions about ~~this notice or~~ your rights to COBRA continuation coverage, you should contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

**COBRA Continuation Coverage Election Form**

**Instructions: To elect COBRA continuation coverage, complete this Election Form and return it to us. Under federal law, you must have 60 days after the date of this notice to decide whether you want to elect COBRA continuation coverage under the Plan.**

**Send completed Election Form to: [*Enter Name and Address*]**

**This Election Form must be completed and returned by mail [*or describe other means of submission and due date*]. If mailed, it must be post-marked no later than [*enter date*].**

**If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date. However, if you change your mind after first rejecting COBRA continuation coverage, your COBRA continuation coverage will begin on the date you furnish the completed Election Form.**

**Read the important information about your rights included in the pages after the Election Form.**

I (We) elect COBRA continuation coverage in the [*enter name of plan*] (the Plan) as indicated below:

Name Date of Birth Relationship to Employee SSN (or other identifier)

a. _____

[*Add if appropriate:* Coverage option elected: _____]

b. _____

[*Add if appropriate:* Coverage option elected: _____]

c. _____

[*Add if appropriate:* Coverage option elected: _____]

_____ _____

Signature Date

_____ _____

Print Name Relationship to individual(s) listed above

_____

_____

_____ _____

Print Address Telephone number

## Important Information
## About Your COBRA Continuation Coverage Rights

**What is continuation coverage?**

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee (or retired employee) covered under the group health plan, the covered employee's spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including [*add if applicable:* open enrollment and] special enrollment rights.

**How long will continuation coverage last?**

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued ~~only~~ for up to a total of 18 months. In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. This notice shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary (note: there are limitations on plans' imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

[*If the maximum period shown on page 1 of this notice is less than 36 months, add the following three paragraphs:*]

**How can you extend the length of COBRA continuation coverage?**

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify [*enter name of party responsible for COBRA administration*] of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

*Disability*

An 11-month extension of coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. [*Describe Plan provisions for requiring notice of disability determination, including time frames and procedures.*] Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the Plan of that fact within 30 days after SSA's determination.

*Second Qualifying Event*

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify the Plan within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

**How can you elect COBRA continuation coverage?**

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

~~In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally~~
In considering whether to elect continuation coverage, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

**How much does COBRA continuation coverage cost?**

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

~~[*If employees might be eligible for trade adjustment assistance, the following information may be added:* The Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Under the new tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact/2002act_index.cfm.~~

**When and how must payment for COBRA continuation coverage be made?**

*First payment for continuation coverage*

If you elect continuation coverage, you do not have to send any payment with the Election Form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the Election Notice is post-marked, if mailed.) If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact [*enter appropriate contact information, e.g., the Plan Administrator or other party responsible for COBRA administration under the Plan*] to confirm the correct amount of your first payment.

*Periodic payments for continuation coverage*

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the [*enter due day for each monthly payment*] for that coverage period. [*If Plan offers other payment schedules, enter with appropriate dates:* You may instead make payments for continuation coverage for the following coverage periods, due on the following dates:]. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break. The Plan [*select one:* will *or* will not] send periodic notices of payments due for these coverage periods.

*Grace periods for periodic payments*

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the coverage period [*or enter longer period permitted by Plan*] to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. [*If Plan suspends coverage during grace period for nonpayment, enter and modify as necessary:* However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.]

If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to:

[*enter appropriate payment address*]

**For more information**

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, ~~contact~~ visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at ~~in your area or visit the EBSA website at~~ www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. ~~(Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)~~ For more information about health insurance options available through a Health Insurance Marketplace, visit www.healthcare.gov.

**Keep Your Plan Informed of Address Changes**

In order to protect your and your family's rights, you should keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

**Paperwork Reduction Act Statement**

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately four minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of the Chief Information Officer, Attention: Departmental Clearance Officer, 200 Constitution Avenue, N.W., Room N-1301, Washington, DC 20210 or email DOL_PRA_PUBLIC@dol.gov and reference the OMB Control Number 1210-0123.

OMB Control Number 1210-0123 (expires 09/30/2013)

## Bill Jensen

**From:** Krasnoff, Steve [Steve.Krasnoff@Carefirst.com]
**Sent:** Thursday, June 06, 2013 4:50 PM
**To:** Bill Jensen
**Cc:** Pedone, Joe; Laura Walsh; Colleen Murphy
**Subject:** RE: CRNA and anesthesia providers
**Attachments:** Anesthesia Modifiers Letter 070805 Final 2.doc

Hi Bill... Our Provider Relations area passed along a letter (attached) from 2005 that was sent to contracted anesthesia providers informing them of our guidelines for reporting anesthesia services. The modifiers referenced are valid HCPCS modifiers, and the process is industry standard. Also, I was informed that there is another modifier (QZ) that is reported when a CRNA performs anesthesia services without medical direction by a physician. In this case, CareFirst would process the claim for the contracted CRNA at 100% of the Allowed Amount.

I hope this provides you with the level of detail that you need. If it falls short, please let me know and I'll line up a call with appropriate team members to give you the answers that you're looking for.

Thanks, Bill.

Regards,
Steve

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**From:** Bill Jensen [mailto:billj@associated-admin.com]
**Sent:** Wednesday, May 22, 2013 5:28 PM
**To:** Krasnoff, Steve
**Cc:** Pedone, Joe; Laura Walsh; Colleen Murphy
**Subject:** CRNA and anesthesia providers

Steve:

Segal consulting provided a report which in part attempted to assist with how to process the CRNA charges being submitted separately from the anesthesiologist. The fund currently pays either the anesthesiologist or the CRNA provider, but not both. Segal provided us with some Medicare related language, but it leaves open the potential for balance billing, especially for those providers who are out of the CF network.

Please advise if you have language on the insured side that handles both in and out of network payment of the anesthesiologist and the CRNA when both bill for the medically directed or medically supervised CNRA services being provided. I would be glad to set up a call with a member of your team, but ultimately as I mentioned at today's meeting, we would like to see language on how this is handled.

Thanks much.

Bill Jensen
President
Associated Administrators, LLC
4301 Garden City Dr. Suite 201
Landover, MD 20785-6102
301-429-8960

**Date:** March 20, 2013

**Re:** **FELRA: Sample Wording for Certain Non-Physician Practitioners**

Segal was asked to draft sample wording, in a way that is consistent with industry practice, to allow the plan to extend payment for certain non-physician practitioners, specifically: Certified Registered Nurse Anesthetist (CRNA), Physician's Assistant (PA), Nurse Practitioner (NP), and Certified Surgical Assistant (CSA). Additionally, Segal was requested to create sample wording to prevent payment of both non-physician practitioners and physicians (MD, DO, DPM) who might try to bill the Plan for the same service on the same date of service. The following chart provides both some background information on payment considerations for non-physician practitioners and also some sample language that can be considered as a starting point for SPD wording. Sample wording appears in blue font.

The SPD could be drafted to include within the covered benefits of the medical plan, a section on general rules for payment of non-physician practitioners such as:

General Rules for Plan Payment of Non-Physician Practitioners:

- The service provided must be a) a covered benefit under the Plan, b) medically necessary (as determined by the Plan Administrator or its designee) and c) provided by a non-physician practitioner in lieu of services performed by a Physician.
- The service must be provided by a non-physician practitioner who is legally licensed and/or legally authorized to practice or provide certain health care services under the laws of the state or jurisdiction where the services are rendered; and acts within the scope of his or her license and/or scope of practice; and is not the patient or the parent, spouse, sibling (by birth or marriage, such as a brother-in-law), aunt/uncle, or child of the patient or covered employee.
- Payment of services to a non-physician practitioner is in accordance with the Plan's "allowed charges," defined as the lesser of:
  a. for network providers, the PPO contracted rate, or
  b. for non-network providers, the amount considered to be usual, customary and reasonable by the Plan or
  c. billed charges.
- Services of a non-physician practitioner will not be payable if a claim from a Physician is received for the exact same service on the same date of service.
- This Plan pays for only one assistant surgeon per covered surgical procedure per date of service.

This wording above could also be expanded to address both Physicians and Non-physician. After this lead-in general rules wording, the SPD could then state the specific reimbursement provisions as outlined in blue font in the chart on the next pages.

<table>
<tr><th>Type of Non-Physician Practitioner</th><th>Background Information</th><th>Sample SPD Wording</th></tr>
<tr><td>Certified Registered Nurse Anesthetist (CRNA)</td><td>In the US, anesthesia services can be provided by a physician (and MD or DO commonly called an anesthesiologist), or by non-physicians, such as a Certified Registered Nurse Anesthetist (CRNA) or an Anesthesia Assistant (AA) who are commonly called "anesthetists".<br><br>A Certified Registered Nurse Anesthetist is a Registered Nurse, properly licensed, with advanced training and certification to render anesthesia. A CRNA can work independently of an anesthesiologist. An Anesthesia Assistant (AA) requires a four year college degree and a two year academic Master's Program specializing in anesthesia. An AA works only under the supervision of an anesthesiologist.<br><br>Medicare (as the largest claims payer in the US) pays CRNA as follows:<br>• Non-medically directed CRNA services are reimbursed by Medicare Part B at 100% of a Medicare fee through the anesthesia fee schedule. This payment is appropriate when a CRNA provides the entire anesthesia service, or when an anesthesiologist is involved in a case but not to a degree sufficient to warrant a claim for anesthesiologist medical direction.<br>• Medically directed CRNA services are reimbursed by Medicare Part B at 100% of a Medicare fee through the anesthesia fee schedule, with the CRNA being paid 50% of the fee and the medically directing anesthesiologist being paid the remaining 50% of the fee.<br>• Medically supervised CRNA services are reimbursed by Medicare Part B at more than 50%, but less than 100%, of a Medicare fee through the anesthesia fee schedule. The medically supervised CRNA is reimbursed 50% of the Medicare fee, while the medically supervising anesthesiologist is reimbursed 2 or 3 base units for each case in which the anesthesiologist is involved.<br>• To Medicare the term "medical direction" is not the same as supervision, and is instead a level of physician involvement in a case that is greater than supervision (see page 7 of this document).<br>Most major insures follow Medicare guidelines for anesthesia payment too. National Code Manuals (such as CPT and HCPCS) outline the required provider coding for all claims, including anesthesia services, and these codes help identify the type of anesthesia service rendered.</td><td>Anesthesia services submitted by a Certified Registered Nurse Anesthetist (CRNA) are payable as follows:<br>• 100% of the claim is considered for payment to the CRNA when the CRNA is the sole provider for the entire anesthesia service;<br>• 50% of the claim is considered for payment to the CRNA when a portion of the entire anesthesia service was rendered by a combination of CRNA and a physician anesthesiologist. (Anesthesiologist's claim is also considered for payment at 50%).<br>Claims are payable in accordance with the Plan's "allowed charges" for network and non-network providers.<br><br>A helpful chart for claims admin staff or to put the SPD might look like this:
<table>
<tr><th>Type of Anesthesia Claim Submitted</th><th>% of Allowed Charges payable by the Plan</th></tr>
<tr><td>Physician Anesthesiologist Performed All the Anesthesia Services</td><td>100%</td></tr>
<tr><td>Non-Physician Anesthetist Performed All the Anesthesia Services</td><td>100%</td></tr>
<tr><td>Physician Anesthesiologist medically directed the CRNA</td><td>50% to the Physician and 50% to the CRNA</td></tr>
<tr><td>Physician Anesthesiologist medically supervised the CRNA</td><td>Physician: 3 base units +1 time unit (if present at induction).<br>CRNA: 50% of allowed charges.</td></tr>
</table>
</td></tr>
</table>

CareFirst BlueChoice

CareFirst BlueCross BlueShield

July 8, 2005

**Billing Physician/CRNA Anesthesia Modifiers**

Dear Provider:

This is to advise that, **effective July 8, 2005,** the update of claim submission, claim processing and reimbursement processing for certain anesthesia modifiers for both paper and electronic claims will be complete **and** all CareFirst BlueCross BlueShield (CareFirst) and CareFirst BlueChoice, Inc. (CareFirst BlueChoice) anesthesia claims (including FEP and NASCO) may be submitted and will be reimbursed as described below. Realizing that some practices may need time to adjust to this submission procedure, compliance is not required for thirty (30) days (August 8, 2005) when the following billing guidelines must be followed.

**A. Claims Submission**

1.) **Anesthesiologists billing for the supervision of a CRNA,** must bill with one of the following modifiers:
- **AD** – Medical supervision by a physician: more than four concurrent anesthesia procedures
- **QK** – Medical direction of two, three or four concurrent anesthesia procedures.
- **QY** – Medical direction of one CRNA by an anesthesiologist.

2.) **The CRNA performing the actual service** must bill with the following modifier:
- **QX** - CRNA service with medical direction by a physician.

3.) **Two separate claims must be submitted;** one for the supervising Anesthesiologist and one for the CRNA services.

Anesthesia services personally performed by the anesthesiologist must still be reported using the AA modifier. **Claims submitted without appropriate modifiers will be returned.**

**B. Reimbursement**

Also, effective July 8, 2005, in order to achieve uniformity among all CareFirst and CareFirst BlueChoice claims processing platforms and to reflect industry standards, all claims representing the above modifier combinations (AD/QX, QK/QX and QY/QX) will be reimbursed 50/50, meaning that the supervising Anesthesiologist will be reimbursed at 50% of the Allowed Amount and the CRNA will be reimbursed at 50% of the Allowed Amount. **The reimbursement amount for anesthesia service will remain the same and the allocation of the reimbursement will be consistent across all claims processing platforms.**

If you have questions, please contact our dedicated service line at 800-229-0943.

Sincerely,

Darlene Lawrence

Darlene Lawrence
*Director, Professional Relations and Performance Based Programs*

INVESTMENT
PERFORMANCE
SERVICES, LLC

642 Newtown Yardley Road
Suite 205
Newtown, PA 18940
Telephone (215) 867-2330
Fax (215) 867-2337

June 21, 2013

Mr. William Jensen
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, MD 20785

RE: Investment Consulting Proposals

Dear Bill:

Thank you for contacting Investment Performance Services, LLC ("IPS") regarding a proposal to provide investment consulting services to the Health & Welfare, Severance, Scholarship, Legal, and MAP Funds.

HW, Severance, Scholarship, Legal

To assist with the proposals, we have reviewed an April, 2013 "Flash Report" provided by NEPC. For each Fund, we propose services similar to what IPS provides to the Pension Fund, which includes quarterly performance reports for each as well as monthly updates. We suggest a separate agreement for each Fund.

The proposed fee for each Fund is as follows:

- Health & Welfare - $40,000
- Severance - $15,000
- Scholarship - $1,000
- Legal - $1,000

We will guarantee the fees for a period of two years.

If the proposal is accepted, we can provide sample letters to you to send to NEPC and PNC requesting the information we need to get started.

MAP

Thank you for providing some information regarding the expected annual contributions. We left a message for Kevin Woodrich at Cheiron to discuss the Fund in greater detail, but he is out of the office on vacation. Once we hear from Kevin and have a better understanding of the contributions/withdrawals of the Fund, we will provide a fee proposal.

Please let me know if you have any questions. I will be on vacation beginning June 22nd but returning to the office on July 8th. Thank you.

Sincerely,

Rich Sichel

Richard Sichel, Jr.
President